

REGULAR & EXTRAORDINARY SESSIONS

The Iowa Legislative Services Agency prepares annually a summary of legislation passed by the Iowa General Assembly. Unless otherwise specified in a summary, the effective date of the legislation is July 1, 2006.

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LOCATION OF SUMMARIES BY FILE NUMBER

Senate Files

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SF 2341	Criminal Law, Procedure & Corrections
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SF 2343	Children & Youth
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SF 2353	Business, Banking & Insurance
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SF 2363	Environmental Protection
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SF 2368	Alcohol Regulation & Substance Abuse

<u>Number</u>	<u>Major Subject</u>
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SF 2391	Taxation
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Senate Joint Resolution

<u>Number</u>	<u>Major Subject</u>
SJR 2001	Alcohol Regulation & Substance Abuse

Senate Resolution

<u>Number</u>	<u>Major Subject</u>
SR 170	State Government

LOCATION OF SUMMARIES BY FILE NUMBER House Files

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HF 2002	Appropriations
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HF 2051	Elections, Ethics & Campaign Finance
HF 2080	Public Defense & Veterans
HF 2095	Education
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HF 2244	Natural Resources & Outdoor Recreation
HF 2245	State Government
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HF 2351	Local Government
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HF 2461	Taxation
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HF 2464	Health & Safety
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HF 2492	Human Services
HF 2493	Health & Safety
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<u>Number</u>	<u>Major Subject</u>
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<u>HF 2557</u>	Appropriations
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<u>HF 2564</u>	Children & Youth
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<u>HF 2569</u>	Natural Resources & Outdoor Recreation
<u>HF 2571</u>	State Government
<u>HF 2586</u>	State Government
<u>HF 2587</u>	Business, Banking & Insurance
<u>HF 2588</u>	Health & Safety
<u>HF 2590</u>	Civil Law, Procedure & Court Administration
<u>HF 2593</u>	Elections, Ethics & Campaign Finance
<u>HF 2611</u>	Natural Resources & Outdoor Recreation
<u>HF 2612</u>	Natural Resources & Outdoor Recreation
<u>HF 2613</u>	Economic Development
<u>HF 2624</u>	Criminal Law, Procedure & Corrections
<u>HF 2632</u>	State Government
<u>HF 2633</u>	Taxation
<u>HF 2635</u>	Agriculture
<u>HF 2644</u>	Children & Youth
<u>HF 2651</u>	Children & Youth
<u>HF 2652</u>	Civil Law, Procedure & Court Administration
<u>HF 2654</u>	Local Government
<u>HF 2661</u>	Economic Development
<u>HF 2663</u>	Natural Resources & Outdoor Recreation
<u>HF 2665</u>	Local Government
<u>HF 2672</u>	Civil Law, Procedure & Court Administration
<u>HF 2679</u>	Agriculture
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<u>HF 2695</u>	Civil Law, Procedure & Court Administration
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<u>HF 2705</u>	State Government
<u>HF 2706</u>	Civil Law, Procedure & Court Administration
<u>HF 2708</u>	State Government
<u>HF 2712</u>	State Government
<u>HF 2713</u>	State Government
<u>HF 2716</u>	Civil Law, Procedure & Court Administration
<u>HF 2731</u>	Economic Development
<u>HF 2734</u>	Appropriations
<u>HF 2740</u>	Civil Law, Procedure & Court Administration
<u>HF 2742</u>	Civil Law, Procedure & Court Administration
<u>HF 2743</u>	Appropriations
<u>HF 2748</u>	Health & Safety
<u>HF 2751</u>	Taxation
<u>HF 2754</u>	Agriculture
<u>HF 2759</u>	Agriculture
<u>HF 2764</u>	Taxation
<u>HF 2765</u>	State Government
<u>HF 2768</u>	Health & Safety

<u>Number</u>	<u>Major Subject</u>
HF 2769	Children & Youth
HF 2772	Human Services
HF 2774	Local Government
HF 2775	Civil Law, Procedure & Court Administration
HF 2777	Local Government
HF 2780	Human Services
HF 2782	Appropriations
HF 2786	Civil Law, Procedure & Court Administration
HF 2789	Criminal Law, Procedure & Corrections
HF 2791	Economic Development
HF 2792	Education
HF 2794	Taxation
HF 2797	Appropriations

House Joint Resolutions

<u>Number</u>	<u>Major Subject</u>
HJR 5	Elections, Ethics & Campaign Finance
HJR 2006	State Government

House Resolution

<u>Number</u>	<u>Major Subject</u>
HR 176	State Government

AGRICULTURE

- [SENATE FILE 2076](#) - Manure Management Plans — VETOED BY THE GOVERNOR
- [SENATE FILE 2268](#) - Agricultural Production Tax Incentives
- [SENATE FILE 2292](#) - Farm Tenancies
- [SENATE FILE 2369](#) - Open Feedlot Operations
- [SENATE FILE 2377](#) - Regulation of Animal Feedlot Operations — VETOED BY THE GOVERNOR
- [SENATE FILE 2378](#) - Cooperative Associations — Conversion
- [HOUSE FILE 2635](#) - Drainage and Levee Districts — Improvements — Bid Procedure
- [HOUSE FILE 2679](#) - Agricultural Drainage Well and Water Quality Practices
- [HOUSE FILE 2754](#) - Regulation of Renewable Fuels and Energy
- [HOUSE FILE 2759](#) - Renewable Fuels — Appropriations, Tax Credits, and Special Funding

RELATED LEGISLATION

- [SENATE FILE 2253](#) - Substantive Code Corrections
SEE STATE GOVERNMENT. This Act updates language relating to Department of Agriculture and Land Stewardship inspections of meat, poultry or dairy establishments; eliminates an obsolete reference in a Cattle Promotion Fund provision; conforms language regarding the Iowa Soybean Association Board duties to other language; updates a reference to federal pasteurized milk regulation; updates a citation to federal agricultural extension enabling legislation; makes corrections relating to drainage tile lines, the use of alternative technology systems in nutrient management plans, and the use of a defined term in open feedlots provisions; makes miscellaneous updates and corrections in language providing for the establishment of cooperative associations; and corrects the use of a term in language proscribing the use of pets as prizes. A provision relating to the indemnification of board members, officers, and employees of cooperative associations takes effect April 7, 2006, and applies retroactively to January 1, 2005.
- [SENATE FILE 2262](#) - Loans for Purchase of Agricultural Land
SEE BUSINESS, BANKING & INSURANCE. This Act provides that a mortgage lender of a loan for agricultural land may impose additional interest or penalties for prepayment of the loan if the term of the loan is more than five years.
- [SENATE FILE 2363](#) - Water Quality Regulation
SEE ENVIRONMENTAL PROTECTION. This Act relates to water quality standards.
- [SENATE FILE 2399](#) - Renewable and Wind Energy Tax Credits
SEE ENERGY & PUBLIC UTILITIES. This Act amends the provisions of the wind energy production tax credit and the renewable energy tax credit for energy generated and sold by wind energy conversion facilities, biogas recovery facilities, biomass conversion facilities, methane gas recovery facilities, solar energy facilities, and refuse conversion facilities.

- [SENATE FILE 2402](#) - Soy-Based Transformer Fluid Tax Credits
SEE TAXATION. This Act provides a soy-based transformer fluid tax credit to electric utilities under the individual and corporate income, sales and use, and replacement taxes. The credit applies to tax years ending after June 30, 2006, and beginning before January 1, 2008. The credit is repealed December 31, 2008.
- [HOUSE FILE 2525](#) - Transportation — Administration and Miscellaneous Regulations
SEE TRANSPORTATION. This Act provides an exemption from commercial driver licensing requirements for farmers and persons working for a farmer when the commercial motor vehicle is controlled by the farmer and operated within 150 miles of the farm.
- [HOUSE FILE 2540](#) - Appropriations — Agriculture and Natural Resources
SEE APPROPRIATIONS. This Act appropriates moneys to support the Department of Agriculture and Land Stewardship and programs relating to agriculture, including providing support for animal husbandry, commissioners of soil and water conservation districts, the Senior Farmer Market Nutrition Program, and membership in the Missouri River Association and the Iowa Shorthorn Association. The Act also appropriates moneys from the General Fund of the State to Iowa State University to support a veterinary diagnostic laboratory.
- [HOUSE FILE 2613](#) - Miscellaneous Economic Development Programs and Reports
SEE ECONOMIC DEVELOPMENT. This Act eliminates certain joint activities between the Department of Economic Development and the Department of Agriculture and Land Stewardship.
- [HOUSE FILE 2661](#) - Linked Investments for Tomorrow Act Revisions
SEE ECONOMIC DEVELOPMENT. This Act eliminates the Horticultural and Nontraditional Crops Linked Investment Loan Program, the Traditional Livestock Producer's Linked Investment Loan Program, and the Value-Added Agricultural Linked Investment Loan Program.
- [HOUSE FILE 2794](#) - Taxes, Tax Policy, and Administration
SEE TAXATION. This Act relates to policy and administrative changes to tax law and related matters and updates the Streamlined Sales and Use Tax Law. Division I allows the landowner who is assessed annual drainage or levee taxes to pay the assessments in two equal payments similar to regular property taxes.
- [HOUSE FILE 2797](#) - State and Local Government Financial and Regulatory Matters — Appropriations and Miscellaneous Changes
SEE APPROPRIATIONS. This Act relates to state and local finances by providing for funding of property tax credits and reimbursements; by making, increasing, reducing, and transferring appropriations; providing for salaries and compensation of state employees; providing for fees and penalties; providing tax exemptions; and providing for properly related matters. The Act includes a number of provisions affecting agriculture-related matters.

AGRICULTURE

SENATE FILE 2076 - Manure Management Plans — VETOED BY THE GOVERNOR

BY COMMITTEE ON AGRICULTURE. This bill would have amended the "Animal Agriculture Compliance Act" (Code Chapter 459), which in part provides for the regulation of confinement feeding operations by the Department of Natural Resources (DNR). A confinement feeding operation is a place where animals are housed in buildings and fed and maintained for 45 days or more in any 12-month period.

Under Code Section 459.312, certain persons are required to file a manure management plan with the DNR and the county board of supervisors where the confinement feeding operation is located or where the manure is applied. A person required to file a manure management plan includes the owner of a confinement feeding operation or a person who applies manure from a confinement feeding operation which is located in another state if the manure is applied on land located in this state. The manure management plan must be annually updated. Generally, the manure management plan must include information regarding how much and where manure kept in a manure storage structure is to be applied.

The bill would have required the DNR to provide for the receipt and processing of manure management plans, including updates to manure management plans, in an electronic format not later than July 1, 2008. After that time, a person required to submit a manure management plan could have submitted the manure management plan to the DNR and to the county board of supervisors in an electronic format. This part of the bill was amended in S.F. 2377 (also vetoed).

Under Code Section 459.312, if the location of the manure application is on land other than land owned by the person applying for a construction permit, the manure management plan must include a copy of each written agreement executed between the person and the landowner where the manure will be applied. The bill would have allowed for an alternative submission which is a copy of a written agreement executed between the person and a person renting the land for crop production where the manure will be applied. Note the provision as proposed to be amended by this bill would have mirrored a provision in Code Chapter 459A, "Animal Agriculture Compliance Act for Open Feedlot Operations" (see Code Section 459A.208).

SENATE FILE 2268 - Agricultural Production Tax Incentives

BY COMMITTEE ON WAYS AND MEANS. This Act provides tax incentives to persons involved in agricultural production.

BEGINNING FARMERS — AGRICULTURAL ASSETS TRANSFER AGREEMENTS INCOME TAX CREDITS. The Act amends provisions in Code Chapter 175 establishing the Agricultural Development Authority, an instrumentality housed in the office of the Treasurer of State responsible for administering a number of programs to assist agricultural producers, including the Beginning Farmer Program. A beginning farmer is an individual, partnership, family farm corporation, or family farm limited liability company as provided under Code Chapter 9H (Iowa's Corporate Farming Law), with a low or moderate net worth who engages in farming or wishes to engage in farming.

The Act provides a tax credit for owners of agricultural assets (agricultural land, depreciable agricultural property, crops, or livestock) who help beginning farmers acquire agricultural assets by lease or rental arrangements. The owner who executes an agricultural assets transfer agreement may claim a tax credit against individual or corporate income. The owner (referred to as the taxpayer) may claim the tax credit after receiving a certificate issued by the authority which is attached to the taxpayer's tax return. The Act provides for limited carryforward but

does not provide for carryback. Generally, the taxpayer cannot transfer the tax credit. There is one exception: the tax credit can pass to the taxpayer's estate or trust after death.

The taxpayer must be a person who may acquire or otherwise obtain or lease agricultural land in the state under Code Chapter 9H or 9I (restricting corporate and foreign ownership of agricultural land). In addition, the taxpayer cannot acquire or otherwise obtain or lease agricultural land exclusively because of an exception provided in one of those Code chapters (e.g., an encumbrance taken for purposes of security). The person also cannot hold land based on an exception in other Code provisions, including Code Chapters 10 (corporate networking entities), 10C (life science enterprises), 10D (qualified enterprises), and 501 (closed cooperatives), as well as Code Section 15E.207 (an Iowa agricultural industry finance corporation). The Act provides a number of restrictions upon the authority in approving applications and issuing certificates.

The taxpayer cannot be at fault for terminating a prior agreement, be involved in legal proceedings regarding environmental violations, or agree to provide more agricultural assets than the beginning farmer can be expected to adequately manage. The agricultural assets cannot be leased or rented at a rate substantially different from similar market arrangements. The agreement may be terminated, but if the termination is the fault of the owner, any tax credits must be repaid and no further tax credit certificates can be issued to the taxpayer.

This part of the Act takes effect on January 1, 2007, and applies to tax years beginning on or after that date.

SALES TAX EXEMPTION — FARM MACHINERY AND EQUIPMENT. The Act amends Code Section 423.3, which provides exemptions from the state's sales tax, including farm machinery and equipment associated with crop production, animal agriculture, or horticulture. The Act extends the type of farm machinery and equipment eligible for the exemption by including auger systems, fan systems, and refrigerators.

This part of the Act takes effect June 2, 2006, and applies retroactively to January 1, 1992. It limits the amount that may be refunded to a person who paid the sales tax on and after that date to \$25,000.

[SENATE FILE 2292](#) - Farm Tenancies

BY COMMITTEE ON AGRICULTURE. Code Chapter 562, and in particular Code Sections 562.5, 562.6 and 562.7, governs how notice must be provided to a farm tenant in order to terminate a lease by providing a number of rights to farmer-tenants. For example, there must be a fixed amount of time between a notice of termination and the actual termination date (the notice must be given by September 1 to terminate the lease for the following crop year), it must terminate on March 1, and if there is no timely notice of the termination or the notice does not otherwise satisfy the requirements of the statute, the tenancy will automatically be continued under the same terms and conditions of the original lease for the following crop year (unless the parties agree otherwise).

There are several exceptions. The tenants' rights provisions do not apply to a "mere cropper" (an undefined term, but generally a person who pays for the land's use on a crop share basis, meaning a percentage of the crops produced on the land rather than a fixed amount), a tenancy which is less than 40 acres, where there is a default in the performance of the terms of the lease, or where the tenant is not "occupying and cultivating" the land. The Iowa Supreme Court has held that the term "occupy" is not restricted to residency. See *Paulson v. Rogis*, 77 N.W.2d 33 (Iowa 1956). However, in a later case, the Iowa Supreme Court held that "cultivation" did not include using the land for grazing or presumably post-harvest gleaning under common "cornstalk leases." See *Morling v. Schmidt*, 299 N.W.2d 480 (Iowa 1980).

This Act amends Code Chapter 562 by defining a "farm tenancy" to mean a leasehold interest in land held by a person who produces crops or provides for the care and feeding of livestock on the land, including by grazing or supplying feed to the livestock. The Act eliminates the term "occupying and cultivating." In addition, "livestock" is defined by reference to a commonly used definition in Code Section 717.1, which includes an animal belonging to the bovine, caprine, equine, ovine, or porcine species, ostriches, rheas, emus, farm deer, or poultry.

SENATE FILE 2369 - Open Feedlot Operations

BY COMMITTEE ON AGRICULTURE. This Act amends a provision in Code Chapter 459A, which authorizes the Department of Natural Resources (DNR) to regulate open feedlot operations, and supplements provisions in Code Chapter 459, which authorizes the DNR to regulate all animal feeding operations.

NUTRIENT MANAGEMENT PLANS AND OPERATING PERMITS. Much of the Act concerns nutrient management plans required to be developed and implemented by owners of open feedlot operations and requirements for operating permits which are not specifically addressed in Code Chapter 459A, but are subject to rules adopted by the DNR in accordance with requirements for concentrated animal feeding operations required by the U.S. Environmental Protection Agency (EPA) under the National Pollutant Discharge Elimination System (NPDES).

The EPA recently amended requirements that provide that an open feedlot operation that would not have been considered a concentrated animal feeding operation prior to April 14, 2003, is considered a concentrated animal feeding operation after that date and must: (1) develop and implement a nutrient management plan by February 13, 2006, and (2) obtain an NPDES operating permit by December 31, 2006. The EPA revised these deadlines to provide that a concentrated animal feeding operation must develop and implement a nutrient management plan and seek an NPDES permit by July 31, 2007. See 40 C.F.R. pts. 122 and 412. The revisions of the regulations were made in response to a court decision, *Waterkeeper Alliance et al. v. E.P.A.*, 399 F.3d 486 (2nd Cir. 2005).

The Act extends the date when an owner of an open feedlot operation is required to comply with nutrient management plan requirements in Code Chapter 459A or obtain an operating permit under NPDES and departmental rules.

The Act establishes new Code Section 459A.202, which provides that the owner of an open feedlot operation commencing operation prior to April 14, 2003, or which was required to obtain an operating permit on or after that date, has until July 31, 2007, to apply for an operating permit. The open feedlot operation does not qualify for the extension if the open feedlot operation is required by the DNR to be issued an operating permit only because special conditions exist according to the results of a departmental evaluation.

Code Section 459A.205 provides that an application for a construction permit must be accompanied by the nutrient management plan on or after September 30, 2006. The Act extends that date to April 30, 2007. Code Section 459A.208 provides that an open feedlot operation of 1,000 or more animal units or one that would otherwise be required to be issued an operating permit must develop a nutrient management plan by December 31, 2006. The Act extends that date to July 31, 2007.

STOCKPILING PRACTICES. The Act allows a person to stockpile settleable solids, which is effluent that does not flow perceptibly under pressure. The Act restricts where a person may stockpile solids, including imposing separation distances from water sources or drainage systems and prohibiting stockpiling on land which has a steep slope. The person must remove and apply the settleable solids within six months after the solids are stockpiled.

The Act takes effect April 26, 2006, and is retroactively applicable to February 13, 2006.

SENATE FILE 2377 - Regulation of Animal Feedlot Operations — VETOED BY THE GOVERNOR

BY COMMITTEE ON NATURAL RESOURCES AND ENVIRONMENT. This bill would have amended provisions in Code Chapter 459, which authorizes the Department of Natural Resources (DNR) to regulate animal feeding operations, including confinement feeding operations, and Code Chapter 459A, which supplements those provisions by authorizing the DNR to regulate open feedlot operations.

CONSTRUCTION PERMIT APPLICATIONS FOR CONFINEMENT FEEDING OPERATIONS. Code Section 459.303 provides for the approval or disapproval of applications for permits to construct confinement feeding operation structures (e.g., confinement buildings, manure storage structures, and egg washwater storage structures). The DNR's decision is in part based on whether the application meets the standards established by departmental rule. The bill would have provided that the application must meet standards established in Code Chapter 459A (see Code Section 459A.205, which authorizes the DNR to approve or disapprove applications for permits to construct settled open feedlot effluent basins and alternative technology systems associated with open feedlots based on standards and procedures required in Code Chapter 459A).

MANURE MANAGEMENT PLANS. Code Section 459.312 provides for the submission of manure management plans to the DNR, including updated manure management plans by an owner of a confinement feeding operation or a person who applies manure from a confinement feeding operation which is located in another state, if the manure is applied on land located in this state. Generally, a manure management plan must include information regarding how much and where manure kept in a manure storage structure is to be applied.

The bill would have amended S.F. 2076 (which was also vetoed by the Governor) by requiring the DNR to provide for the receipt and processing of manure management plans in an electronic format not later than July 1, 2009, and requiring that manure management plans be submitted in an electronic format after that date. There is no comparable requirement for the submission of nutrient management plans under Code Chapter 459A.

Currently, the DNR must approve the manure management plan according to procedures established by the DNR. The bill would have provided that the application must meet standards established in the Code chapter (see Code Section 459A.208 requiring the DNR to approve nutrient management plans according to procedures required by the DNR in compliance with the provisions of Code Chapter 459A).

EVALUATIONS. The bill would have authorized the DNR to conduct an evaluation of a confinement feeding operation or an open feedlot operation that has commenced operation in order to determine if manure or open feedlot effluent is being discharged into a water of the state or may reasonably be expected to cause pollution of a water of the state. The provisions are similar to 567 IAC 65.5 and 567 IAC 65.103. In addition, the bill would have prohibited the DNR from conducting an evaluation of a confinement feeding operation or open feedlot operation which has not commenced operation, unless a requirement provided in Code Chapter 459 or 459A had not been met. The bill would have authorized the DNR to deliver a letter of concern to the owner of the confinement feeding operation or open feedlot operation. The bill would have provided that, based on the results of an evaluation, the DNR could have issued an order (as opposed to a notice as provided in the rules) to a person responsible for the operation of the confinement feeding operation or open feedlot operation which had been evaluated in order to compel the person to institute remedial action necessary to eliminate the condition.

SENATE FILE 2378 - Cooperative Associations — Conversion

BY COMMITTEE ON AGRICULTURE. Three types of traditional cooperative associations are recognized under Iowa law and specifically under Code Chapters 497, 498 and 499. Code Chapter 499 is the most modern chapter, enacted in 1935 (1935 Acts, Chapter 94), and all traditional cooperative associations formed on and after July 4, 1935, must be organized under that Code chapter (Code Section 499.1). It governs farmer cooperatives, petroleum cooperatives, utility cooperatives, and consumer food cooperatives (Code Section 499.2). Code Chapter 499 does not require older cooperative associations to convert into a "499 cooperative" but does provide conversion procedures for a "497 cooperative" and a "498 cooperative."

Code Section 499.43, enacted with the 1935 law, provided that any cooperative association, including a 497 cooperative or a 498 cooperative, could by a majority vote of all its members convert to a 499 cooperative (1935 Acts, Chapter 94, Section 43). It also provided rights for dissenting members to sell their stock to the cooperative at its real value within two years from the date of the vote.

In 1992, the General Assembly enacted legislation which limited the procedure in Code Section 499.43 to the conversion of "497 cooperatives" and enacted new provisions in Code Section 499.43A for the conversion of "498 cooperative" associations. That section provides for transitional procedures, including for adopting and recording a resolution reciting the intention of the cooperative association to be governed under Code Chapter 499 by a vote of 66 and 2/3 percent of the members present or represented by mailed ballots. Code Section 499.43A does not provide for the right of dissenting members to sell their stock back to the cooperative.

This Act eliminates the conversion provisions for "497 cooperatives" as provided in Code Section 499.43 and requires that "497 cooperatives" convert to "499 cooperatives" in the same manner as "498 cooperatives."

The Act takes effect April 20, 2006.

HOUSE FILE 2635 - Drainage and Levee Districts — Improvements — Bid Procedure

BY COMMITTEE ON AGRICULTURE. This Act amends Code Chapter 468, which authorizes a governing board, usually a county board of supervisors and sometimes a joint board of supervisors or a board of trustees, to establish and administer a drainage district or districts and to locate and establish levees. This includes the authority to maintain a levee, ditch, drain, watercourse, or settling basin, and to modify natural watercourses within its jurisdiction (Code Section 468.1). The cost of establishing and maintaining a district is borne by the owners of land within the district who are responsible for paying an assessment.

The Act amends Code Section 468.34, which provides that before an improvement is made, the governing board must publish a notice in the county where the improvement is to be located. The notice must provide information regarding the scope of the work required to make the improvement and call for bids. Further notice requirements are established based on the estimated cost of the improvements. The Code section provides that if the estimated cost exceeds \$15,000, the governing board may publish a notice in a contractor's journal of general circulation. The Act eliminates the language relating to the secondary publication. The Code section also provides that when the estimated cost of the improvement is less than \$10,000, the governing board may let the contract to a contractor to make the improvement without publishing notice or taking bids. The Act increases that amount to \$15,000.

Code Section 468.62 allows a governing board to let contracts to contractors for purposes of making improvements after there has been a change of conditions to a plan of improvement required when a district is created in cooperation with the U.S. government (see Code Section 468.201). Code Section 468.66 requires that bids be let in the same manner as provided for

the original construction, unless the estimated cost is less than \$10,000. The Act also increases that amount to \$15,000.

HOUSE FILE 2679 - Agricultural Drainage Well and Water Quality Practices

BY COMMITTEE ON AGRICULTURE. This Act provides for the closing of agricultural drainage wells with state financial assistance. An agricultural drainage well is a vertical opening to an aquifer or permeable substratum constructed in order to intercept surface or subsurface drainage water from land directly or by a drainage system.

Currently, an Alternative Drainage System Assistance Program is available to assist landowners in closing agricultural drainage wells located in designated agricultural drainage well areas and establishing alternative drainage systems (Code Section 460.304). A designated agricultural drainage well area is an area where an anaerobic lagoon or earthen manure storage basin is located. The program is administered by the Soil Conservation Division of the Department of Agriculture and Land Stewardship and supported by the Alternative Drainage System Assistance Fund administered by the division (Code Section 460.303). A person is entitled to receive cost-share moneys of up to 75 percent of the amount necessary to carry out a well-closing project.

The Act amends provisions of Code Chapter 460 that establish the fund and cost-share program, in part to conform with current practice and also to expand the program. The division currently awards moneys to close agricultural drainage wells in areas other than designated agricultural drainage well areas and the Act provides the division with express authority to award moneys to close agricultural drainage wells generally under the renamed Agricultural Drainage Well Water Quality Assistance Program. The Act eliminates a requirement that cost-share moneys must be used to construct an alternative drainage system as part of a drainage district. It also provides that cost-share moneys may be used to establish alternative water quality practices other than constructing alternative drainage systems, including but not limited to converting land to wetlands from the renamed Agricultural Drainage Well Water Quality Assistance Fund. The Act provides that moneys available in the fund may also be used to obtain technical assessments in agricultural drainage well areas, including those areas having a predominance of shallow bedrock or karst terrain.

HOUSE FILE 2754 - Regulation of Renewable Fuels and Energy

BY COMMITTEE ON WAYS AND MEANS. This Act provides for the regulation and promotion of biofuel (ethanol, which is grain alcohol commonly derived from corn, and biodiesel, which is oil commonly derived from soybeans) and for renewable fuel, which is petroleum-based motor fuel blended with a biofuel, which is either gasoline blended with ethanol to produce ethanol blended gasoline or diesel fuel blended with biodiesel to produce biodiesel blended fuel. The departments directly affected by this Act include the Department of Agriculture and Land Stewardship (DALS), the Department of Economic Development (DED), the Department of Natural Resources (DNR), the Department of Revenue (DOR), and the Department of Transportation (DOT). Note several of the provisions of this Act have been amended by H.F. 2759, which in part provides appropriations to support programs established in Division III providing for renewable fuel infrastructure programs.

Division I — Establishment of Renewable Fuel Standards

GOAL. Division I establishes a goal that by January 1, 2020, ethanol and biodiesel (biofuel) is to replace 25 percent of all petroleum used in the formulation of gasoline.

MOTOR FUEL STANDARDS. The division amends Code Chapter 214A, which provides authority to DALS to regulate motor fuel and its components. It provides for a number of definitions that apply to provisions in Code Chapter 214A and other Code chapters by reference. The definitions include those for "biodiesel," "biodiesel blended fuel," "biofuel," "dealer," "diesel fuel," "E-85 gasoline," "ethanol," "ethanol blended gasoline," "gasoline," "renewable fuel," and "retail

motor fuel site." Much of the Act provides for "retail dealers" who are persons engaged in the business of storing and dispensing motor fuel from a motor fuel pump for sale on a retail basis. The motor fuel pump may be located at a fixed location such as a retail motor fuel site (commonly referred to as a service station) or a mobile location (such as a truck delivering motor fuel to farms).

The division moves substantive language referring to kerosene from Code Section 214A.1 to Code Section 214A.2A, which specifically regulates kerosene.

The division amends Code Section 214A.2 by authorizing DALs to establish standards for motor fuel and its components by the adoption of rules which are consistent with standards adopted by A.S.T.M. (American Society for Testing and Materials) International. The division requires that ethanol blended gasoline contain a blend of at least 10 percent ethanol. E-85 gasoline must contain a minimum seasonal blend of between 70 and 85 percent or more ethanol. Biodiesel fuel must contain at least 1 percent biodiesel. In adopting standards for a renewable fuel, DALs must consult with the Renewable Fuels and Coproducts Advisory Committee (see Code Chapter 159A).

FALSE ADVERTISING. The division rewrites provisions that regulate false advertising of motor fuel to prohibit a person from knowingly advertising the sale of any motor fuel which does not meet standards adopted by DALs. The division prohibits a person from knowingly falsely advertising that motor fuel is a renewable fuel or is not a renewable fuel, or falsely advertising that ethanol blended gasoline or biodiesel blended fuel does or does not contain the appropriate percentage blend (referred to as "E-xx" or "B-xx").

PENALTIES. The division increases the criminal penalty for any violation of Code Chapter 214A from a simple misdemeanor to a serious misdemeanor. A simple misdemeanor is punishable by confinement for no more than 30 days or a fine of at least \$50 but not more than \$500, or by both. The division amends several provisions to require that the violation must be knowingly committed. A serious misdemeanor is punishable by confinement for no more than one year and a fine of at least \$250 but not more than \$1,500.

The division also provides for the imposition, assessment and collection of civil penalties in lieu of a criminal prosecution. The amount of the civil penalty ranges from \$100 to \$1,000. An alternative civil enforcement action may be brought by DALs as a contested case proceeding under the Iowa Administrative Procedure Act (Code Chapter 17A) or as a civil case by the Attorney General.

Division II — Renewable Fuel Infrastructure

RENEWABLE FUEL AND ENERGY. Division II promotes alternative and renewable energy for purposes of furthering economic development initiatives administered by DED. Members of the Iowa Economic Development Board must have expertise in a number of areas, one of which is economics. The division provides that a member of the board may have an expertise in alternative and renewable energy in lieu of economics. The division adds industries associated with alternative and renewable energy to targeted industries referred to in a number of Code provisions, including Code Section 15E.61 providing for the Iowa Fund of Funds; Code Chapter 15E, Division X, providing for the Iowa Economic Development Loan and Credit Guarantee Fund; Code Chapter 15E, Division XXIV, providing for the Business Accelerator Program (and regional development plans); and Code Section 260C.18A providing for the workforce training and economic development funds.

FRANCHISES. The division amends provisions included in Code Chapter 323A affecting motor fuel franchises. A franchise is a contract between a person who sells motor fuel and a person who purchases motor fuel for resale, including refiners, distributors and retailers (i.e., retail

dealers). The division provides that when a contract is entered into or renewed, it must provide for the delivery of volumes of E-85 gasoline at times demanded by the franchisee or it must allow the franchisee to purchase those volumes of E-85 gasoline at those times from another source. However, if the contract does not have an expiration date, and the franchisor cannot provide for the delivery of E-85 gasoline, the franchisee may immediately obtain the E-85 gasoline from another source, without regard to the contract. The division provides that if the franchisee obtains the E-85 gasoline from another source, the franchisee must provide notice to the public of its source. The franchisee must fully indemnify the franchisor against any claims for liability arising out of the use of the E-85 gasoline which was delivered by another source. These provisions take effect May 30, 2006.

INFRASTRUCTURE USED TO STORE AND DISPENSE E-85 GASOLINE. The division provides that a retail dealer may use gasoline infrastructure to store and dispense E-85 gasoline, including tanks, dispensers (i.e., motor fuel pumps), and associated hardware or fittings, if the DNR regulating below ground infrastructure and the State Fire Marshal regulating above ground infrastructure determine that the infrastructure is compatible with the E-85 gasoline. For a dispenser, the division requires that a manufacturer state that it is not incompatible with E-85 gasoline and that the manufacturer has initiated the process of applying to an independent testing laboratory for listing of the equipment for use in dispensing the E-85 gasoline. These provisions take effect May 30, 2006, and are eliminated on July 1, 2009.

Division III — Renewable Fuel Infrastructure Programs

PURPOSE AND ADMINISTRATION OF THE PROGRAMS. Division III establishes a Renewable Fuel Infrastructure Board which includes members representing agricultural producers, petroleum refiners, petroleum marketers, petroleum equipment contractors, the trucking industry, insurers, and the renewable fuels industry. The board is housed within DED. The board, with assistance from DED, is responsible for administering two programs: the Renewable Fuel Infrastructure Program for Retail Motor Fuel Sites, which supports the improvement of retail motor fuel sites to install, replace or convert motor fuel storage and dispensing infrastructure associated with E-85 gasoline or biodiesel or biodiesel blended fuel, and the Renewable Fuel Infrastructure Program for Biodiesel Terminal Facilities, which supports the improvement of terminals used to store and distribute biodiesel or biodiesel blended fuel. Moneys available to support the programs are allocated with assistance from DED and members of the Underground Storage Tank Fund Board (see Code Chapter 455G) on a cost-share basis in the forms of grants. DED and the Underground Storage Tank Fund Board are required to adopt emergency rules to administer the programs (see H.F. 2759).

STUDY. DOT and the DNR are required to conduct a joint study which provides methods to inform persons of the availability of E-85 gasoline for sale and distribution. The results of the study, including recommendations, must be delivered to the Governor and the General Assembly by January 10, 2007.

Division IV — Renewable Fuel Income Tax Credits

DESIGNATED ETHANOL BLENDED GASOLINE TAX CREDIT. Division IV amends the current designated ethanol tax credit provisions in Code Chapter 422, which provide that a retail dealer is eligible to receive a tax credit on 60 percent or more of the ethanol blended gasoline sold and distributed from each service station. The division changes references in terminology from "service station" to "retail motor fuel site" to be consistent with changes in terminology used throughout Code chapters addressed in the Act. The division provides that the tax credit is to be eliminated on January 1, 2009.

ETHANOL PROMOTION TAX CREDIT. The division creates an ethanol promotion tax credit for retail dealers who sell and dispense ethanol blended gasoline. The tax credit is effective

January 1, 2009, and replaces the designated ethanol blended gasoline tax credit. In order to receive this tax credit, a retail dealer must calculate the retail dealer's biofuel distribution percentage, which is the sum of the retail dealer's total ethanol gallonage plus the retail dealer's total biodiesel gallonage expressed as a percentage of the retail dealer's total gasoline gallonage in the retail dealer's applicable determination period (calendar year).

There are two schedules depending upon whether a retail dealer sells and dispenses more than 200,000 gallons of motor fuel in the applicable determination period. For a retail dealer who sells and dispenses more than 200,000 gallons of motor fuel in an applicable determination period, the retail dealer's biofuel threshold percentage begins at 10 percent for the determination period beginning January 1, 2009, and ending December 31, 2009, and increases each determination period until it reaches 25 percent for the determination period beginning on and after January 1, 2021. For a retail dealer who sells and dispenses 200,000 gallons or less of motor fuel in an applicable determination period, the retail dealer's biofuel threshold percentage begins at 6 percent for the determination period beginning January 1, 2009, and ending December 31, 2009, and increases each determination period until it reaches 25 percent for the determination period beginning on and after January 1, 2021. Since the ethanol content in E-85 gasoline varies according to season, DOR is required to publish a schedule listing the average amount of ethanol contained in a gallon of E-85 gasoline (authorization provided in Division V). The division provides that the Governor may adjust a biofuel threshold percentage for a determination period if the Governor finds that exigent circumstances exist which prevent retail dealers from complying with the schedule.

The ethanol promotion tax credit must be calculated separately for each retail motor fuel site or other permanent or temporary location from which the retail dealer sells and dispenses ethanol blended gasoline. The tax credit rate depends upon whether the retail dealer has attained a biofuel threshold percentage. For any tax year in which the retail dealer has attained a biofuel threshold percentage for a determination period, the tax credit rate is 6.5 cents. For any tax year in which the retail dealer has not attained a biofuel threshold percentage for a determination period, the tax credit rate must be adjusted based on the retail dealer's biofuel threshold percentage disparity. If the retail dealer's biofuel threshold percentage disparity equals 2 percent or less, the tax credit rate is 4.5 cents. If the retail dealer's biofuel threshold percentage disparity equals more than 2 percent but not more than 4 percent, the tax credit rate is 2.5 cents. A retail dealer is not eligible for a tax credit if the retail dealer's biofuel threshold percentage disparity is equal to more than 4 percent. A retail dealer must calculate the tax credit rate on a calendar year basis regardless of whether the retail dealer's tax year is based on a calendar year. The tax credit is eliminated on January 1, 2026.

E-85 GASOLINE PROMOTION TAX CREDIT. The division establishes an E-85 gasoline promotion tax credit. A retail dealer who sells and dispenses E-85 gasoline from motor fuel pumps is eligible to receive the tax credit. The tax credit rate is calculated on each gallon of E-85 gasoline which is sold and dispensed by the retail dealer on a calendar year basis, regardless of the number of gallons of ethanol used to blend the motor fuel (between 70 and 85 percent ethanol). The tax credit rate begins at 25 cents per gallon of E-85 gasoline sold and dispensed in calendar years 2006 through 2008, decreases to 20 cents per gallon of E-85 gasoline sold and dispensed in calendar years 2009 and 2010, decreases to 10 cents per gallon of E-85 gasoline sold and dispensed in calendar year 2010, and after that decreases by 1 cent per calendar year until it reaches 1 cent in calendar year 2020. A retail dealer may claim the E-85 gasoline promotion tax credit on the same gallons of ethanol for which the retail dealer may claim the designated ethanol blended gasoline tax credit until it expires or after the ethanol promotion tax credit begins. The E-85 gasoline promotion tax credit is eliminated on January 1, 2021.

BIODIESEL BLENDED FUEL TAX CREDIT. The division establishes a biodiesel blended fuel tax credit. In this case, the biodiesel blended fuel must include at least 2 percent biodiesel, even though a 1 percent biodiesel blend satisfies standards adopted by DALS under Code Section 214A.2 (Division I). A retail dealer who sells and dispenses diesel fuel from a motor fuel pump is eligible for this tax credit if the retail dealer sells and dispenses 50 percent or more biodiesel blended fuel during the tax year. The amount of the tax credit is 3 cents multiplied by the total number of gallons of biodiesel blended fuel sold and dispensed by the retail dealer. This tax credit is repealed on January 1, 2012.

RETROACTIVE APPLICABILITY. The division provides for the applicability of the retail tax credit provisions, including by providing that the E-85 gasoline promotion tax credit and the biodiesel blended fuel tax credit apply retroactively beginning on and after January 1, 2006.

Division V — Petroleum Replacement Initiative

REPORTING REQUIREMENTS — RETAIL DEALERS AND DOR. Division V provides that a retail dealer must confidentially report its total motor fuel gallonage, including its total gasoline gallonage, ethanol gallonage, ethanol blended gasoline gallonage, E-85 gasoline gallonage, diesel gallonage, and biodiesel gallonage for each retail motor fuel site or other permanent or temporary location from which the retail dealer sells and dispenses motor fuel during a determination period (a calendar year). On or before February 1 following a determination period, DOR must submit a report to the Governor and the Legislative Services Agency which compiles information reported by the retail dealers for the previous determination period. The report must include the information reported by retail dealers in the aggregate, including the aggregate motor fuel gallonage, aggregate gasoline gallonage, aggregate ethanol gallonage, aggregate ethanol blended gasoline gallonage, aggregate E-85 gasoline gallonage, aggregate diesel gallonage, and aggregate biodiesel gallonage. The retail dealer must also report the aggregate distribution percentages for the previous determination period (the aggregate ethanol gallonage or the aggregate biodiesel gallonage expressed as a percentage of the aggregate gasoline gallonage or the aggregate diesel fuel gallonage).

REPORTING REQUIREMENTS — FLEXIBLE FUEL VEHICLES. The division provides that on or before February 1 following a determination period, DOT must deliver a report to the Governor and the Legislative Services Agency providing information regarding flexible fuel vehicles registered in this state during the previous determination period. The information shall state the aggregate number of flexible fuel vehicles, which is broken down into a number of classifications relating to year of manufacture, passenger vehicles, and light pickup trucks.

Division VI — Coordinating Provisions — Government Vehicles

Division VI amends the provisions that require state and local government vehicles to operate using ethanol blended gasoline. It also amends similar provisions which require state agencies to purchase flexible fuel vehicles. The division standardizes the language and refers to common definitions and standards as provided in Code Sections 214A.1 and 214A.2 (Division I). The division includes a substantive provision amending Code Section 252.25A by providing that an employee of a regents institution does not have to purchase ethanol blended gasoline under emergency circumstances and may use a state-issued credit card to purchase nonblended gasoline if it is not commercially available (similar exceptions exist for law enforcement vehicles).

Division VII — Coordinating Provisions — Miscellaneous

A number of provisions in the Code refer to alcohol or ethanol blended gasoline, including E-85 gasoline, and soydiesel or biofuel. Division VII standardizes the language and refers to

common definitions and standards as provided in Code Sections 214A.1 and 214A.2 (Division I).

Division VIII — Change in Terms

Division VIII amends a number of provisions throughout the Code, by changing the term "oxygenate octane enhancer" to "oxygenate," "motor vehicle fuel" to "motor fuel," and "motor vehicle fuel pump" to "motor fuel pump" for purposes of consistency in chapters throughout the Code, but in particular in Code Chapter 214A.

HOUSE FILE 2759 - Renewable Fuels — Appropriations, Tax Credits, and Special Funding

BY COMMITTEE ON APPROPRIATIONS. This Act is closely related to H.F. 2754 which provides for the regulation and promotion of biofuel and renewable fuel that is petroleum-based motor fuel blended with a biofuel (either gasoline blended with ethanol to produce ethanol blended gasoline or diesel fuel blended with biodiesel to produce biodiesel blended fuel).

RENEWABLE FUEL INFRASTRUCTURE FUND — APPROPRIATIONS. Division III of H.F. 2754 creates a Renewable Fuel Infrastructure Board within the Department of Economic Development (DED). The board, with assistance from DED and members of the Underground Storage Tank Fund Board, administers two programs: the Renewable Fuel Infrastructure Program for Retail Motor Fuel Sites, which supports the improvement of retail motor fuel sites to install, replace or convert motor fuel storage and dispensing infrastructure associated with E-85 gasoline or biodiesel or biodiesel blended fuel, and the Renewable Fuel Infrastructure Program for Biodiesel Terminal Facilities, which supports the improvement of terminals used to store and distribute biodiesel or biodiesel blended fuel. This Act establishes a Renewable Fuel Infrastructure Fund to keep moneys used to support the programs. The moneys in the fund are administered by DED as directed by the board. The fund is supported from two sources, including \$2 million appropriated from the Grow Iowa Values Fund (Code Section 15G.108) for each fiscal year beginning July 1, 2006, and ending June 30, 2009, and \$3.5 million appropriated from the Iowa Comprehensive Petroleum Underground Storage Tank Fund (Code Section 455G.3) for each fiscal year beginning July 1, 2006, and ending June 30, 2008. The Act provides for the transfer of moneys appropriated to DED to support a similar program (see Code Section 15.401) into the new fund. The Act also appropriates moneys from the fund to the Department of Agriculture and Land Stewardship (DALS) for purposes of supporting the inspection of motor fuel.

AMENDMENTS TO H.F. 2754. The Act contains a number of provisions which amend H.F. 2754, including authorizing DALS to inspect biofuel which is being sold in this state; providing that the ethanol promotion tax credit expires on January 1, 2021, instead of January 1, 2025; altering the calculation of the ethanol promotion tax credit by a retail dealer whose tax year is not calculated on a calendar year basis; and correcting a reference to the calculation required to achieve a retail dealer's biofuel threshold percentage.

THE GOVERNOR ITEM VETOED THE FOLLOWING:

1. A provision transferring moneys appropriated to DED to support a program which also funds improvements to retail motor fuel sites and terminals and eliminating the program.
2. A provision that requires DALS to adopt a schedule of improvements required for each fiscal year necessary to assure that motor fuel sold and dispensed from motor fuel pumps in this state meets all applicable standards and which provides that for each fiscal year, of the moneys appropriated to each state agency to support the production or use of ethanol, ethanol blended gasoline, biodiesel, or biodiesel blended fuel, the

Department of Management must transfer a prorated share of the state agency's appropriation as is necessary to satisfy the amount required to comply with the schedule of improvements for that fiscal year.

ALCOHOL REGULATION AND SUBSTANCE ABUSE

- [SENATE FILE 2305](#) - Regulation of Wine Production, Labeling, and Distribution
- [SENATE FILE 2368](#) - Wine and Beer Coil Cleaning Services
- [S.J.R. 2001](#) - World Food Prize Awards Ceremony
- [HOUSE FILE 2333](#) - Regulation of Machines Used to Vaporize Alcoholic Beverages

RELATED LEGISLATION

- [SENATE FILE 2217](#) - Health and Human Services Programs and Procedures
SEE HUMAN SERVICES. This Act relates to health and human services programs and procedures involving compliance with privacy laws applicable to mental health, mental retardation, developmental disabilities, and brain injury services data, Medical Assistance (Medicaid) Program eligibility, creation of an Electronic Health Records System Task Force, foster parent training requirements, young adults transition from foster care, support for young persons with a developmental disability or other special need and the persons' families, and substance abuse involuntary hospitalization proceedings.
- [SENATE FILE 2253](#) - Substantive Code Corrections
SEE STATE GOVERNMENT. This Act conforms references to chemical compound derivatives in provisions regulating the possession, manufacture and distribution of controlled substances; corrects a reference in language regarding the compensation of mental health patient advocates; transfers language establishing the Criminalistics Laboratory Fund from a provision relating to distribution of revenue by the clerk of the district court to another location; and corrects a retroactive applicability problem relating to the Iowa Comprehensive Health Insurance Program.
- [SENATE FILE 2362](#) - Involuntary Hospitalization Proceedings
SEE CIVIL LAW, PROCEDURE & COURT ADMINISTRATION. This Act amends portions of the Code relating to involuntary hospitalization proceedings for chronic substance abusers and persons with mental illness.
- [HOUSE FILE 2238](#) - Federal Block Grant Appropriations
SEE APPROPRIATIONS. This Act appropriates federal block grant and other nonstate moneys to state agencies for the federal fiscal year beginning October 1, 2006, and ending September 30, 2007. The Act includes funding for various substance abuse and drug enforcement programs.
- [HOUSE FILE 2743](#) - Healthy Iowans Tobacco Trust and Tobacco Settlement Trust — Appropriations
SEE APPROPRIATIONS. This Act relates to and makes appropriations from the Healthy Iowans Tobacco Trust for FY 2006-2007, including appropriations to the Department of Public Health (DPH) for the Comprehensive Tobacco Use Prevention and Control Initiative, for

smoking cessation and smoking-related disease products, and for additional substance abuse treatment under the Substance Abuse Treatment Program. The appropriations to DPH also include funding for a grant program, utilizing a request for proposals process, to provide substance abuse prevention programming for children. The Act also appropriates funding to the Department of Corrections for the Drug Court Program, substance abuse treatment, and services for dual diagnosis offenders.

[HOUSE FILE 2780](#)

- Mental Health and Disability Services
SEE HUMAN SERVICES. This Act relates to mental health, mental retardation, developmental disabilities, or brain injury (MH/MR/DD/BI) services and other support by addressing purposes and quality standards, establishing basic financial eligibility standards, addressing state and county financial responsibility for the costs of the services and other support, changing the name of the Department of Human Services division responsible for the services and other support, and providing an increase in the reimbursement of certain service providers. The Act further amends language that was enacted in S.F. 2217 (see Human Services) and amended by S.F. 2362 (see Civil Law, Procedure & Court Administration) relating to the qualifications of a professional other than a licensed physician who examines a respondent in a substance abuse involuntary commitment proceeding under Code Chapter 125.

[HOUSE FILE 2797](#)

- State and Local Government Financial and Regulatory Matters — Appropriations and Miscellaneous Changes
SEE APPROPRIATIONS. This Act relates to state and local finances by providing for funding of property tax credits and reimbursements, by making, increasing, reducing, and transferring appropriations, providing for salaries and compensation of state employees, providing for fees and penalties, providing tax exemptions, and providing for properly related matters. The Act includes a provision reducing the standing appropriation for substance abuse treatment and prevention in Division II.

ALCOHOL REGULATION AND SUBSTANCE ABUSE

[SENATE FILE 2305](#)

- Regulation of Wine Production, Labeling, and Distribution

BY COMMITTEE ON NATURAL RESOURCES AND ENVIRONMENT. This Act concerns the definition of wine and the inspection of premises of certain wine permittees.

The Act defines the allowable alcoholic content of wine as wine that contains up to 21.25 percent of alcohol by volume or 17 percent of alcohol by weight. Current law defines the allowable alcoholic content of wine as 17 percent of alcohol by weight.

The Act also provides that a premises covered by a class "A" or class "B" wine permit is not considered a food processing plant for purposes of Code Chapter 137F, relating to the inspection of food establishments and food processing plants.

[SENATE FILE 2368](#)

- Wine and Beer Coil Cleaning Services

BY COMMITTEE ON STATE GOVERNMENT. This Act requires the Alcoholic Beverages Division of the Department of Commerce to adopt as rules federal regulations that permit manufacturers

of alcoholic beverages to provide retailers free wine and beer coil cleaning services, including carbon dioxide filters.

SENATE JOINT RESOLUTION 2001 - World Food Prize Awards Ceremony

BY GRONSTAL, IVERSON, KIBBIE, AND LAMBERTI. This Joint Resolution authorizes the consumption of wine at an awards ceremony to be held by the World Food Prize Foundation at the State Capitol on or around October 19, 2006.

HOUSE FILE 2333 - Regulation of Machines Used to Vaporize Alcoholic Beverages

BY COMMITTEE ON STATE GOVERNMENT. This Act prohibits a person or club holding a liquor control license or retail wine or beer permit from selling, possessing or providing a machine designed to dispense an alcoholic beverage in a vaporized form. A violation of the provisions of the Act is a simple misdemeanor and is grounds for the revocation or suspension of the person's alcohol-related license or permit.

APPROPRIATIONS

- [SENATE FILE 2056](#) - Honey Creek Premier Destination Park Bonds
- [SENATE FILE 2232](#) - Appropriations — Transportation
- [SENATE FILE 2273](#) - Miscellaneous Supplemental Appropriations and Financial Regulation
- [SENATE FILE 2338](#) - Office of Grants Enterprise Management — Funding
- [HOUSE FILE 2002](#) - Senior Living Trust Fund — Appropriations, Reversions, and Transfers
- [HOUSE FILE 2238](#) - Federal Block Grant Appropriations
- [HOUSE FILE 2459](#) - Appropriations — Economic Development
- [HOUSE FILE 2521](#) - Appropriations — Administration and Regulation
- [HOUSE FILE 2527](#) - Appropriations — Education
- [HOUSE FILE 2540](#) - Appropriations — Agriculture and Natural Resources
- [HOUSE FILE 2557](#) - Appropriations — Judicial Branch
- [HOUSE FILE 2558](#) - Appropriations — Justice System
- [HOUSE FILE 2734](#) - Appropriations — Health and Human Services
- [HOUSE FILE 2743](#) - Healthy Iowans Tobacco Trust and Tobacco Settlement Trust — Appropriations
- [HOUSE FILE 2782](#) - Appropriations — Infrastructure and Capital Projects
- [HOUSE FILE 2797](#) - State and Local Government Financial and Regulatory Matters — Appropriations and Miscellaneous Changes

RELATED LEGISLATION

- [SENATE FILE 2319](#) - Littering and Illegal Solid Waste Disposal
SEE ENVIRONMENTAL PROTECTION. This Act appropriates a percentage of moneys collected from fines and penalties for littering and illegal dumping of solid waste to the Department of Transportation for purposes of the cleanup of litter and illegally discarded solid waste.
- [SENATE FILE 2364](#) - Insurance and Other Entities or Services Regulated by the Commissioner of Insurance
SEE BUSINESS, BANKING & INSURANCE. This Act relates to various matters under the purview of the Insurance Division of the Department of Commerce. The Act appropriates fees collected by the Commissioner of Insurance for each acceptance of service of process to the Insurance Division to offset the costs of receiving such service of process.
- [HOUSE FILE 2080](#) - Supplemental Appropriations — Veterans Programs
SEE PUBLIC DEFENSE & VETERANS. This Act revises and makes FY 2005-2006 appropriations for veterans' assistance involving the Injured Veterans Grant Program and the Home Ownership Assistance Program.
- [HOUSE FILE 2095](#) - School Finance — Allowable Growth
SEE EDUCATION. This Act sets the state percent of growth under the State School Foundation Program at 4 percent for the school budget year beginning July 1, 2007.

- [HOUSE FILE 2347](#) - Medical Assistance — Provider Payment Adjustments and Funding
SEE HUMAN SERVICES. This Act revises the mechanisms to provide funding for the purposes of the Account for Health Care Transformation. The Act also appropriates funds from the account to the Department of Human Services for payments to the University of Iowa Hospitals and Clinics (see H.F. 2734 for revision of this provision).
- [HOUSE FILE 2759](#) - Renewable Fuels — Appropriations, Tax Credits, and Special Funding
SEE AGRICULTURE. This Act is closely related to H.F. 2754 (see Agriculture) which provides for the regulation and promotion of biofuel and renewable fuel. The Act establishes a Renewable Fuel Infrastructure Fund to support programs used to improve retail motor fuel sites and terminals. The fund is supported from moneys appropriated from the Grow Iowa Values Fund and the Iowa Comprehensive Petroleum Underground Storage Tank Fund for multiple fiscal years.
- [HOUSE FILE 2769](#) - Community Empowerment Initiative
SEE CHILDREN & YOUTH. This Act relates to the Community Empowerment Initiative to address the needs of children from birth through age five and their families and includes annual appropriations for the initiative involving early care, health, and education programs for FY 2006-2007 through FY 2008-2009.
- [HOUSE FILE 2772](#) - Brain Injury Services Program
SEE HUMAN SERVICES. This Act creates a new Brain Injury Services Program in the Department of Public Health and provides for funding of the program through allocation of a previously enacted appropriation.
- [HOUSE FILE 2780](#) - Mental Health and Disability Services
SEE HUMAN SERVICES. This Act relates to mental health, mental retardation, developmental disabilities, or brain injury (MH/MR/DD/BI) services and support by addressing state and county financial responsibility for the costs of the services and other support, and providing an increase in the reimbursement of certain service providers. The Act provides for distribution of the appropriation made to the Department of Human Services in H.F. 2734 for state case services and other support.
- [HOUSE FILE 2789](#) - Court Costs, Fines, and Indigent Defense — Amounts and Allocations
SEE CRIMINAL LAW, PROCEDURE & CORRECTIONS. This Act directs the State Court Administrator to allocate certain funds received by the judicial branch from fines and fees to the Office of the State Public Defender, the Department of Corrections, and the Office of Attorney General.
- [HOUSE FILE 2791](#) - Economic Development — Endow Iowa Tax Credit and County Endowment Fund Changes
SEE ECONOMIC DEVELOPMENT. This Act concerns the Endow Iowa Tax Credit and the distribution of gambling tax revenues collected from excursion gambling boats and racetracks. The Act modifies the distribution of gambling tax revenues from gambling games at excursion gambling boats and racetracks by increasing the percentage deposited in the County Endowment Fund from one-half of 1 percent of tax revenues to eight-tenths of 1 percent and provides an additional

two-tenths of 1 percent of tax revenues to the Department of Cultural Affairs, the Community Development Division of the Department of Economic Development (DED) for regional tourism marketing, and to the General Fund of the State for the purposes of funding the Endow Iowa tax credit. In addition, an additional \$70,000 is appropriated to DED from moneys in the County Endowment Fund for administrative costs associated with the Endow Iowa Program. The Act takes effect July 1, 2007.

[HOUSE FILE 2792](#)

- Government Operations, Education Programs, Finance and Taxation, and Parental Rights
SEE EDUCATION. Division I of this Act makes appropriations to the Department of Education (DOE) from the General Fund of the State for multiple years for purposes of the Student Achievement and Teacher Quality Program and allocates the funds appropriated. The division also establishes a standing appropriation from the General Fund of the State to DOE for a Beginning Administrator Mentoring and Induction Program. Division II appropriates \$130,000 for FY 2006-2007 from the General Fund of the State to DOE to assist schools with the implementation of statewide graduation requirements set forth in S.F. 2272 (see Education). Division III appropriates \$27,000 for FY 2006-2007 from the General Fund of the State to the Department of Veterans Affairs and directs the department to provide state educational assistance to a resident child of a person who died on or after September 11, 2001, during active federal military service while serving in the armed forces or during active federal military service in the Iowa National Guard or other military component of the United States.

APPROPRIATIONS

[SENATE FILE 2056](#)

- Honey Creek Premier Destination Park Bonds

BY COMMITTEE ON APPROPRIATIONS. This Act relates to the issuance of bonds by the Honey Creek Premier Destination Park Authority.

The Act authorizes the authority to use net, not gross, revenues from the park for payment of the bonds issued and to issue bonds which result in the deposit of net bond proceeds of not more than \$28 million credited to the Honey Creek Premier Destination Park Bond Fund. Currently, the bond authority is authorized to issue bonds that do not exceed an aggregate principal of \$28 million. The Act eliminates authorization to use net revenue from the Honey Creek Premier Destination Park for the payment of insurance, other credit enhancements, and other financing arrangements, or for operating expenses of the park.

The authority may issue taxable or tax-exempt bonds, or a combination thereof, which, if exempt from taxation for federal tax purposes, are also exempt from taxation by the state of Iowa and interest on these bonds is exempt from state income taxes and state inheritance and estate taxes.

The authority shall not issue bonds secured by the bond reserve fund unless the bond reserve fund equals a specified amount of money.

The Act takes effect March 9, 2006.

SENATE FILE 2232 - Appropriations — Transportation

BY COMMITTEE ON APPROPRIATIONS. This Act makes appropriations for FY 2006-2007 from the Road Use Tax Fund and the Primary Road Fund to the Department of Transportation (DOT).

Appropriations from the Road Use Tax Fund include appropriations for driver's license production costs, salaries, operations and finance, administrative services, planning, motor vehicles, services provided by the Department of Administrative Services (DAS), unemployment and workers' compensation, indirect cost recoveries, audits, county issuance of driver's licenses and vehicle registration and titling, a system providing toll-free telephone road and weather reports, participation in the Mississippi River Parkway Commission, membership in the North America's Superhighway Corridor Coalition, development of a reporting database to warehouse driver and vehicle information, development of the International Registration Plan applicable to commercial motor vehicles, and development of the International Fuel Tax Administration System to provide for uniform collection and distribution of fuel tax revenues from commercial motor vehicles traveling between jurisdictions in the United States and Canada.

Appropriations from the Primary Road Fund include appropriations for salaries, operations and finance, administrative services, planning, highways, motor vehicles, services provided by DAS, unemployment and workers' compensation, hazardous waste disposal, indirect cost recoveries, audits, production of transportation maps, inventory and equipment replacement, utility projects, garage roofing, heating and cooling improvements, deferred maintenance at field facilities, replacement of the Fairfield garage, various Americans With Disabilities Act improvements at DOT facilities, parking lot paving at the Ames complex, and elevator upgrades at the Ames complex.

The Act contains an expression of legislative intent regarding the establishment of a satellite driver's license station in the city of Des Moines.

SENATE FILE 2273 - Miscellaneous Supplemental Appropriations and Financial Regulation

BY COMMITTEE ON APPROPRIATIONS. This Act provides supplemental appropriations for FY 2005-2006. The Act is organized into divisions.

Division I — Education

Division I makes an appropriation from the Rebuild Iowa Infrastructure Fund to the State Board of Regents to provide for repair and restoration of Gilchrist Hall at the University of Northern Iowa.

Division II — Health and Human Services

Division II increases an appropriation from the General Fund of the State to the Department of Human Services for the state Mental Health Institute at Clarinda.

Division III — Justice System

Division III addresses certain appropriations from the General Fund of the State included in the justice system budget.

Appropriations to the Department of Corrections for departmental facilities and general administration are increased.

The appropriation for the State Public Defender for court-appointed attorneys is increased.

Appropriations to the Department of Public Safety for administrative functions and the Division of Criminal Investigation and Bureau of Identification are increased.

Division IV — Miscellaneous

Division IV provides miscellaneous statutory provisions.

Code Section 7D.29, providing a standing unlimited appropriation to the Executive Council in order for the council to incur expenses to perform its legal duties, is amended. Under the amendments, at least two weeks prior to the Executive Council approving a payment authorization, notice to the Legislative Services Agency is required.

In addition, a new duty is provided in the event repairs to state property are necessary on an emergency basis to address health or safety considerations and the state agency responsible for the property does not have an appropriation or funding within the agency budget to make the repairs. If these conditions are met, the Executive Council may authorize payment. The new authority is repealed June 30, 2008.

Code Section 476C.3, relating to eligibility provisions for the renewable energy tax credit, is amended to extend the period of time before an approved wind energy conversion facility must be operational. If the facility is not operational within 18 months due to the unavailability of necessary equipment, the Utilities Board of the Department of Commerce must grant the facility an additional 12 months to become operational.

The Act takes effect March 29, 2006.

[SENATE FILE 2338](#) - Office of Grants Enterprise Management — Funding

BY COMMITTEE ON GOVERNMENT OVERSIGHT. This Act deletes a provision that appropriations utilizing indirect cost reimbursements from state agencies to the Office of Grants Enterprise Management of the Department of Management shall come from the increase in indirect cost reimbursements over the amount of indirect cost reimbursements received during the fiscal year beginning July 1, 2002. Instead, the Act provides that the appropriations will come from indirect cost reimbursements without qualification relating to increases over the FY 2002-2003 level. The Act also provides that a current annual appropriation of up to \$125,000 shall be allocated for office expenses, and that an additional appropriation for FY 2006-2007 and FY 2007-2008 of \$35,000 each year shall be made to provide grant writing and identification assistance to state agencies.

[HOUSE FILE 2002](#) - Senior Living Trust Fund — Appropriations, Reversions, and Transfers

BY RAECKER AND KUHN. This Act increases the standing amount required to be appropriated, reverted or transferred to the credit of the Senior Living Trust Fund.

Existing law in Code Section 8.55, relating to the Iowa Economic Emergency Fund; Code Section 8.57, relating to distribution of the ending balance in the General Fund of the State; and session law provide contingent directives for appropriation or reversion or transfer of a certain amount of funding to the credit of the Senior Living Trust Fund. The contingencies remain effective until an aggregate amount of \$118 million is transferred to the Senior Living Trust Fund and that amount is listed in both of the Code sections.

The Act consolidates the required dollar amount to be credited to the Senior Living Trust Fund in Code Section 8.57, provides a reference to the required dollar amount in Code Section 8.55, increases the required dollar amount to \$300 million, and provides that any appropriations and reversions and transfers of appropriations to the credit of the Senior Living Trust Fund are all credited against the required dollar amount.

The Act takes effect May 22, 2006, and is retroactively applicable to July 1, 2004.

HOUSE FILE 2238 - **Federal Block Grant Appropriations**

BY COMMITTEE ON APPROPRIATIONS. This Act appropriates moneys to various state agencies for the federal fiscal year beginning October 1, 2006, and ending September 30, 2007, from the following federal block grants: Substance Abuse Prevention and Treatment, Community Mental Health Services, Maternal and Child Health Services, Preventive Health and Health Services, Stop Violence Against Women, Community Services, Community Development, Low-Income Home Energy Assistance Program (LIHEAP), Social Services, and Child Care and Development. In addition, the Act appropriates funding from the following federal formula grants: Residential Substance Abuse Treatment for State Prisoners and Edward Byrne Justice Assistance (see H.F. 2734 for appropriations of the federal Temporary Assistance for Needy Families (TANF) Block Grant).

The Act requires that moneys be distributed in accordance with the applicable federal requirements, and establishes a procedure if more or less federal funding is received than predicted. In addition, the Act appropriates for each state agency the other federal grants, receipts and funds and other nonstate grants, receipts and funds available in whole and in part for the state fiscal year beginning July 1, 2006, and ending June 30, 2007.

HOUSE FILE 2459 - **Appropriations — Economic Development**

BY COMMITTEE ON APPROPRIATIONS. This Act makes appropriations and transfers from the General Fund of the State to the Department of Economic Development (DED), the University of Iowa, the University of Northern Iowa, Iowa State University, the Department of Workforce Development (DWFD), and the Public Employment Relations Board for the 2006-2007 fiscal year.

The Act provides that the goals for DED shall be to expand and stimulate the state economy, increase the wealth of Iowans, and increase the population of the state.

The Act appropriates from loan repayments on loans under the former Rural Community 2000 Program to DED moneys for providing financial assistance to Iowa's councils of governments that provide technical and planning assistance to local governments and for the Rural Development Program for the purposes of the program, including the Rural Enterprise Fund and collaborative skills development training.

The Act appropriates moneys collected by the Division of Insurance of the Department of Commerce in excess of the anticipated gross revenues to DED for purposes of insurance economic development and international insurance economic development.

The Act appropriates moneys from the Iowa Community Development Loan Fund to DED for purposes of the community development program.

The Act appropriates moneys from the Workforce Development Fund Account to the Workforce Development Fund.

Moneys appropriated or transferred to or receipts credited to the Workforce Development Fund may be used for administration of workforce development activities.

The Act appropriates moneys from the General Fund of the State to the Iowa Finance Authority for the Entrepreneurs With Disabilities Program.

All moneys remaining in the Job Training Fund on July 1, 2006, and any moneys appropriated or credited to the fund during FY 2006-2007, shall be transferred to the Workforce Development Fund.

The Act requires the State Board of Regents to submit a report on the progress of regents institutions in meeting the strategic plan for technology transfer and economic development.

The Act requires DWFD to adopt accountability measures for all subcontractors, the Auditor of State to annually conduct an audit of DWFD, and the Legislative Services Agency to conduct an annual review of salaries paid to employees of entities organized under Code Chapter 28E and salaries paid under a contract with DWFD.

The Act appropriates moneys from the Special Employment Security Contingency Fund to DWFD for the Division of Workers' Compensation.

The Act appropriates interest earned on the Unemployment Compensation Reserve Fund to DWFD for deposit in the Field Office Operating Fund.

The Act provides that, in addition to other purposes, Iowa State University shall use moneys from the Grow Iowa Values Fund for purposes of developing business succession plans at small business development centers and that not more than \$100,000 shall be used for business succession purposes each fiscal year. Financial assistance to a small business development center shall not exceed \$25,000 per fiscal year and shall not be awarded unless local matching moneys are obtained on a dollar-for-dollar basis for at least 25 percent of the cost of the center. The Act eliminates a limit of \$20,000 for such financial assistance. These provisions take effect May 31, 2006, and apply retroactively to June 9, 2005.

A person who earns less than \$2,000 annually or who performs work or has work performed on the person's own property is not a contractor for purposes of Code Chapter 91C and is exempt from contractor fee requirements.

The Act eliminates an appropriation from the General Fund of the State to DWFD for FY 2006-2007 for workforce development field offices.

The Office of Renewable Fuels and Coproducts may apply to DED for moneys in the Value-Added Agricultural Products and Processes Financial Assistance Fund for deposit in the Renewable Fuels and Coproducts Fund.

For the fiscal year beginning July 1, 2006, any entity that was specifically identified in 2001 Iowa Acts, Chapter 188, to receive funding from DED, excluding any entity identified to receive a direct appropriation beginning July 1, 2006, may apply to DED for assistance through the appropriate program.

In providing moneys from the Shelter Assistance Fund to homeless shelter programs, DED shall explore the potential of allocating moneys to programs based in part on their ability to move their clients toward self-sufficiency.

The Act appropriates moneys from moneys credited to the state by the Secretary of the Treasury of the United States pursuant to the Social Security Act to DWFD for the administration of the Unemployment Compensation Program only.

THE GOVERNOR ITEM VETOED THE FOLLOWING:

1. A provision prohibiting DED from charging a nonprofit, public entity a fee for placement of informational materials in a welcome center.
2. A provision directing the departments and independent agencies receiving an appropriation in the Act to review employee policy for daily or short-term travel and to implement policy revisions to maximize cost savings and minimize oil consumption.

HOUSE FILE 2521 - Appropriations — Administration and Regulation

BY COMMITTEE ON APPROPRIATIONS. This Act relates to and appropriates from the General Fund of the State, and from other funds, to various administrative and regulatory state

departments, agencies and funds for FY 2006-2007. The Act also makes changes to statutory provisions related to the appropriations made in the Act.

The state departments and agencies include the Department of Administrative Services (DAS); Auditor of State; Iowa Ethics and Campaign Disclosure Board; Department of Commerce; Office of Governor, including the Lieutenant Governor, Terrace Hill quarters, and Drug Control Policy Office; Department of Human Rights; Department of Inspections and Appeals; Department of Management; Iowa Public Employees' Retirement System; Secretary of State; Treasurer of State; and the Department of Revenue (DOR). The Act also appropriates funding for the state's membership in the National Governors Association and provides funding to the Governor-Elect Expense Fund. The Act also authorizes DAS to expend additional money from moneys appropriated to the department for start-up funding for revolving funds when the department was established for the period beginning July 1, 2006, and ending June 30, 2011. The moneys expended during this period shall be considered repayment amounts to the General Fund of the State.

The Act increases the maximum monthly payment under the state Employees Disability Insurance Program, applicable to most state employees not otherwise covered by a collective bargaining agreement, from \$2,000 per month to \$3,000 per month.

The Code provision concerning debt collection by DOR for state agencies is amended to permit other state agencies and local governments to utilize the centralized debt collection facility. In addition, the change, as amended by H.F. 2797, allows DOR to retain a portion of the moneys it collects for costs associated with the debt collection program.

The Act also requires DOR to pay the recording fee for certain tax liens whether moneys are appropriated to the department for that purpose or not.

The Act eliminates the Professional Licensing and Regulation Division within the Department of Commerce and reassigns it as a bureau of the Banking Division. The Superintendent of Banking is made the Administrator of the Professional Licensing and Regulation Bureau established by the Act and is also made the Superintendent of Savings and Loan Associations. The Interior Design Examining Board is added to the list of professional licensing boards that are to be administered and coordinated by the bureau.

THE GOVERNOR ITEM VETOED THE FOLLOWING:

A provision requiring each department receiving an appropriation in this Act to review its policy for daily or short-term travel including the use of motor pool vehicles and to review and revise the department's policies relative to this usage as necessary to maximize cost savings.

HOUSE FILE 2527 - Appropriations — Education

BY COMMITTEE ON APPROPRIATIONS. This Act appropriates moneys for FY 2006-2007 from the General Fund of the State to the College Student Aid Commission, the Department for the Blind, the Department of Cultural Affairs, the Department of Education (DOE), and the State Board of Regents and its institutions.

DEPARTMENT FOR THE BLIND. The Act appropriates moneys to the Department for the Blind for its administration.

COLLEGE STUDENT AID COMMISSION. The Act includes appropriations to the College Student Aid Commission for general administrative purposes, student aid programs, an initiative directing primary care physicians to areas of the state experiencing physician shortages, forgivable loans for Des Moines University — Osteopathic Medical Center students, the

National Guard Educational Assistance Program, and the Teacher Shortage Forgivable Loan Program. From the appropriation for tuition grants for students attending not-for-profit accredited private institutions, \$50,000 is allocated for the Registered Nurse Recruitment Program. The appropriations for Des Moines University forgivable loans and the Teacher Shortage Forgivable Loan and Registered Nurse Recruitment programs must be matched on a \$1-for-\$1 basis. The Act reduces the \$2.75 million standing appropriation for the Iowa Work-Study Program for FY 2006-2007 to \$140,000.

The overall appropriation for tuition grants is increased, but divided into two standing appropriations: the current standing appropriation, which is for students attending not-for-profit accredited private institutions, and a new standing appropriation for proprietary tuition grants. However, H.F. 2792 (see Education) amends this Act to strike the word "proprietary" and provide that the appropriation is for tuition grants for students attending for-profit accredited private institutions located in Iowa whose students were eligible to receive tuition grants in FY 2004-2005, and to add a member to the commission to represent for-profit institutions.

Also in statute, the definition of "eligible borrower" is changed for purposes of the Iowa Guaranteed Loan Program. The \$3,000 annual limit for a teacher shortage forgivable loan is eliminated and replaced with a limit tied to the resident tuition rate established for State Board of Regents universities. The commission must submit a report to the Joint Appropriations Subcommittee on Education regarding the number of students receiving teacher shortage forgivable loans.

DEPARTMENT OF CULTURAL AFFAIRS. The Act appropriates moneys to the Department of Cultural Affairs for its Arts, Historical and Administration Divisions, historic sites, community cultural grants, Great Places, and for archiving the records of Iowa governors.

DEPARTMENT OF EDUCATION. The Act appropriates moneys to DOE for purposes of general administration, vocational education administration, Division of Vocational Rehabilitation Services, independent living, State Library for general administration and the Enrich Iowa Program, library service area system, Public Broadcasting Division, regional telecommunications councils, vocational education to secondary schools, school food service, Iowa Empowerment Fund, textbooks for nonpublic school pupils, Jobs for America's Graduates, vocational agriculture youth organizations, a reading instruction pilot project grant program, parent liaison program, core curriculum requirements established in S.F. 2272 (see Education), and community colleges. Community colleges are directed, in both session law and statute, to submit certain specified information to the department. DOE is directed to study the development and collection of summary data on the academic experiences of Iowa high school graduates who enroll in Iowa's public postsecondary institutions and to work to obtain federal funding for a teacher intern program.

DOE is also directed to establish a reading instruction pilot project grant program that provides for conducting at least two direct reading instruction pilot projects and at least two comprehensive reading instruction pilot projects to demonstrate the ability of both approaches to positively affect student learning. The Enrich Iowa Program is established in the Iowa Code.

The Board of Educational Examiners is statutorily authorized to retain 75 percent of the fees collected.

STATE BOARD OF REGENTS. The Act appropriates moneys to the State Board of Regents for the board office, for tuition replacement, universities' general operating budgets, graduate centers, Iowa's obligation as a member of the Midwestern Higher Education Compact, the State University of Iowa (SUI), Iowa State University, the University of Northern Iowa, the Iowa School for the Deaf, and the Iowa Braille and Sight Saving School. From the moneys appropriated for

the universities' operating budgets, \$250,000 is for a Consider Iowa Pilot Program, to be located at SU, to retain Iowa's college graduates.

MISCELLANEOUS. DOE is authorized to transfer FY 2005-2006 allocations for national board certification awards to the Beginning Teacher Mentoring and Induction Program under the Student Achievement and Teacher Quality Program. Technical changes are made related to the allocations provided in statute for the Student Achievement and Teacher Quality Program for FY 2005-2006. These provisions, making changes for FY 2005-2006, take effect June 1, 2006, and are retroactively applicable to July 1, 2005.

THE GOVERNOR ITEM VETOED THE FOLLOWING:

1. A session law provision related to minimum teacher salary requirements used in education appropriation legislation in prior years but made unnecessary this year by the enactment of new minimum teacher salary requirements under H.F. 2792 (see Education).
2. A provision directing departments and independent agencies receiving an appropriation in the Act to review employee policy for daily or short-term travel, implement policy revisions to maximize cost savings, and report to the General Assembly's standing committees on Government Oversight.

HOUSE FILE 2540 - Appropriations — Agriculture and Natural Resources

BY COMMITTEE ON APPROPRIATIONS. This Act provides funding for the Department of Agriculture and Land Stewardship (DALs), the Department of Natural Resources (DNR), Iowa State University (ISU), and the Department of Economic Development (DED) from a number of sources to support administration and to carry out specific programs relating to agriculture and natural resources. The Act also establishes several programs and associated fees to be administered by the DNR.

DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP. Moneys are appropriated from the General Fund of the State and full-time equivalent (FTE) employee positions are authorized in order to support DALs' various divisions and administrative units. The Act also provides a number of designated appropriations to support animal husbandry programs, including the control of diseases affecting livestock populations (chronic wasting disease affecting farm deer, avian influenza affecting poultry, and apiary diseases affecting bees), the regulation of dairy products, and the promotion of native horse and dog racing. The Act supports other programs, including the reimbursement of commissioners of soil and water conservation districts for administrative expenses, the Senior Farmer Market Nutrition Program, DALs' continued membership in the Missouri River Association, and the Iowa Shorthorn Association.

DEPARTMENT OF NATURAL RESOURCES. Moneys are appropriated from the General Fund of the State and FTEs are authorized to support the DNR's various divisions and administrative units. The Act appropriates moneys from the State Fish and Game Protection Fund to support the Division of Fish and Wildlife. The Act appropriates moneys from the Groundwater Protection Fund to support groundwater quality programs. The Act also dedicates moneys from that fund to support a project to recycle hardware or equipment associated with personal computers. The Act provides for the transfer of moneys to support DNR programs. Moneys are transferred to the State Fish and Game Protection Fund to enforce state snowmobile laws. The Act appropriates moneys from the Unassigned Revenue Fund to support the Iowa Comprehensive Underground Storage Tank Fund Board. The Act provides that moneys available from stormwater discharge permit fees may be used to conduct air quality monitoring. The remaining moneys from stormwater discharge fees may be used to reduce the DNR's floodplain permit backlog and to implement the federal Total Maximum Daily Load Program.

IOWA STATE UNIVERSITY. The Act appropriates moneys from the Agrichemical Remediation Fund to ISU for purposes of supporting a water quality research project in order to study the effectiveness of alternative technologies as a method to reduce risks to water quality from open feedlot effluent. The Act appropriates moneys from the General Fund of the State to support a veterinary diagnostic laboratory and expresses the intent that a future General Assembly continue supporting the operation of the laboratory.

MISCELLANEOUS. The Act provides for the National Pollutant Discharge Elimination System (commonly referred to as NPDES), by establishing a fund, providing for the issuance of permits as provided by DNR rules, the assessment and collection of fees, and the deposit of fees into the fund. The Act appropriates moneys from the fund to support the DNR for purposes of processing NPDES permit applications and DED for purposes of supporting an environmental advocate to provide technical assistance to persons engaged in livestock operations.

THE GOVERNOR ITEM VETOED THE FOLLOWING:

A provision requiring that all departments and independent agencies receiving an appropriation in the Act review their travel policies and report the results of the reviews to the General Assembly.

[HOUSE FILE 2557](#) - Appropriations — Judicial Branch

BY COMMITTEE ON APPROPRIATIONS. This Act makes appropriations for FY 2006-2007 to the judicial branch.

The Act provides that the appointment of a clerk of the district court shall not occur unless the State Court Administrator approves such an appointment.

The Act permits the Iowa Supreme Court to prescribe by rule whether and to what extent the judicial branch will accept, process, distribute, and retain electronic records and electronic signatures. The Supreme Court also may prescribe by rule to what extent the judicial branch will create, generate, communicate, store, process, use, and rely upon electronic records and electronic signatures. Any rule prescribed pursuant to the Act prevails over any other laws or court rules that specify the method, manner or format for sending, receiving, retaining, or creating paper records. The Supreme Court may limit the applicability and scope of any rule relating to electronic records and signatures for the purposes of testing and implementing an electronic information processing system.

The Act repeals Code Section 622.29 relating to use of a signature facsimile.

[HOUSE FILE 2558](#) - Appropriations — Justice System

BY COMMITTEE ON APPROPRIATIONS. This Act makes appropriations for FY 2006-2007 to the departments of Justice, Corrections (DOC), Public Defense, and Public Safety (DPS), the Iowa Law Enforcement Academy, the Office of the State Public Defender, the Board of Parole (BOP), the Iowa Civil Rights Commission, and the judicial branch.

DEPARTMENT OF JUSTICE. The Act appropriates \$12.20 million to the Department of Justice, which represents an increase of \$80,000 compared to the FY 2005-2006 appropriations.

DEPARTMENT OF CORRECTIONS. The Act appropriates \$304.20 million to DOC, which represents an increase of \$11.38 million compared to the FY 2005-2006 appropriations.

OFFICE OF THE STATE PUBLIC DEFENDER. The Act appropriates \$44.95 million to the Office of the State Public Defender, which represents an increase of \$4.62 million compared to the FY 2005-2006 appropriations.

IOWA LAW ENFORCEMENT ACADEMY. The Act appropriates \$1.17 million to the Iowa Law Enforcement Academy, which represents an increase of \$38,200 compared to the FY 2005-2006 appropriations.

BOARD OF PAROLE. The Act appropriates \$1.15 million to BOP, which represents an increase of \$5,282 compared to the FY 2005-2006 appropriations.

DEPARTMENT OF PUBLIC DEFENSE. The Act appropriates \$7.40 million to the Department of Public Defense, which represents an increase of \$737,701 compared to the FY 2005-2006 appropriations.

DEPARTMENT OF PUBLIC SAFETY. The Act appropriates \$78.30 million to DPS, which represents an increase of \$5.97 million compared to the FY 2005-2006 appropriations.

IOWA CIVIL RIGHTS COMMISSION. The Act appropriates \$1.07 million to the Iowa Civil Rights Commission, which represents an increase of \$90,000 compared to the FY 2005-2006 appropriations.

JUDICIAL BRANCH. The Act appropriates \$50,000 to the judicial branch for a youth enrichment pilot project, which equals the appropriation made during FY 2005-2006.

The Act strikes a provision requiring DOC to notify the clerk of the district court of the amount of jail time served and credited to a person committed to the custody of the department.

The Act requires the Director of DOC to deduct child support payments from the account of an inmate prior to deducting any restitution.

The Act permits DOC to deny reimbursement to counties that temporarily confine inmates committed to the custody of the department if the county does not submit a request for reimbursement within 15 days of the end of a calendar quarter.

The Act increases the supervision fee payable by a person being supervised by a judicial district department of correctional services from \$250 to \$300, and permits the judicial district to require a person to pay a fee to the district department to offset the costs of providing sex offender programming.

The Act provides that any deputy adjutant general who is a federally recognized officer on May 1, 2006, and who subsequently loses federal recognition due to age, shall continue to serve as a deputy adjutant general until June 30, 2007. This provision takes effect on June 2, 2006.

THE GOVERNOR ITEM VETOED THE FOLLOWING:

A provision directing departments and independent agencies receiving an appropriation in the Act to review employee policy for daily or short-term travel, implement policy revisions to maximize cost savings, and report to the General Assembly's standing committees on Government Oversight.

HOUSE FILE 2734 - Appropriations — Health and Human Services

BY COMMITTEE ON APPROPRIATIONS. This Act relates to and makes appropriations for health and human services for FY 2006-2007 to the state Department of Veterans Affairs, the Iowa Veterans Home, the Department of Elder Affairs (DEA), the Iowa Department of Public Health (DPH), the Department of Human Rights (DHR), and the Department of Human Services (DHS). The Act is organized into divisions.

Division I — General Fund and Block Grant Appropriations

DEPARTMENT OF ELDER AFFAIRS. Division I appropriates funding to DEA for aging programs and area agencies on aging. Funds are allocated for case management for the frail elderly, contingent upon the monthly cost per client for case management services provided not exceeding an average of \$70, and a portion of the allocation is to be transferred to DHS for reimbursement of case management services provided under the medical assistance (Medicaid) elderly waiver. Additionally, the division provides the intent of the General Assembly that the additional funding provided for case management for the frail elderly be used to provide case management services for up to an additional 1,650 individuals. Funds are allocated to provide training to the members of boards of directors of area agencies on aging. The division also transfers funding from the appropriation to the Department of Economic Development for the Iowa Commission on Volunteer Services to be used for the Retired and Senior Volunteer Program.

IOWA DEPARTMENT OF PUBLIC HEALTH. The division appropriates funds to DPH, including funding for addictive disorders; healthy children and families, including funding for the Access to Baby and Child Dentistry (ABCD) Program and to address the healthy mental development of children from birth through five years of age; chronic conditions; community capacity, including a child vision screening program and initiatives at the University of Iowa and the state Mental Health Institute at Cherokee to expand and improve the workforce engaged in mental health treatment and services; elderly wellness; environmental hazards, including childhood lead poisoning prevention activities; infectious diseases; public protection, including coverage of increased costs of the Office of the State Medical Examiner laboratory; resources management; and the continuation of the Iowa Collaborative Safety Net Provider Network. The division appropriates funds from the Gambling Treatment Fund in lieu of the standing appropriation in Code Section 135.150 for addictive disorders and provides for the use of the moneys remaining in the fund.

DEPARTMENT OF VETERANS AFFAIRS AND IOWA VETERANS HOME. The division appropriates funds from the General Fund of the State to the Department of Veterans Affairs and the Iowa Veterans Home. Of the funds appropriated, \$50,000 is allocated for outreach efforts utilizing retired and senior volunteers. The division also directs the department to report to the Senate State Government Committee and to the Veterans Affairs Committee of the House of Representatives regarding employment of additional field service officers.

DEPARTMENT OF HUMAN SERVICES. The division makes appropriations from the General Fund of the State and other funds to DHS and includes other appropriations and provisions involving human services and health care including:

- *TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK GRANT (TANF).* The division appropriates moneys from the federal TANF Block Grant for a number of purposes, including the Family Investment Program (FIP); the Job Opportunities and Basic Skills (JOBS) Program and FIP agreements; field operations; general administration; local administrative costs; state child care assistance, including funding for provision of educational opportunities to registered child care home providers; mental health and developmental disabilities community services; child and family services; child abuse prevention grants; pregnancy prevention grants; technology needs and other resources to meet federal welfare reform requirements; and the Healthy Opportunities for Parents to Experience Success (HOPES) Program. In addition, the division appropriates block grant moneys for community-based programs targeted to children from birth through five years of age and developed by community empowerment areas. The division appropriates funds to establish a pilot project in a judicial district selected by DHS and the Judicial Council to provide employment and support services to delinquent child support obligors

as an alternative to commitment to jail as punishment for contempt of court, and for a contract to enhance and streamline income maintenance processing to help manage growing caseloads.

- *FAMILY INVESTMENT PROGRAM.* Under federal TANF welfare reform provisions, federal funding is provided for FIP in the form of an annual block grant to the state. Consequently, the division includes combined FIP and FIP-related program appropriations from the General Fund of the State and the block grant. These appropriations are directed to the Family Development and Self-Sufficiency Grant Program, the diversion subaccount of the FIP Account, and the Food Stamp Employment and Training Program. The division provides that \$200,000 is to be used to provide a grant to an Iowa-based nonprofit organization with a history of providing tax preparation assistance to low-income Iowans in order to expand the usage of the earned income tax credit.
- *CHILD SUPPORT RECOVERY UNIT.* Division I continues the Iowa Child Support Public Awareness Campaign located in the Office of the Attorney General and continues to direct DHS to issue federal access and visitation grant moneys directly to private not-for-profit agencies that provide services designed to increase compliance with child access provisions of court orders, including but not limited to neutral visitation site and mediation services.
- *MEDICAL ASSISTANCE (MEDICAID).* The division continues Medicaid Program provisions required in previous years. The division includes provisions authorizing DHS to transfer funds for implementation and operational costs associated with Part D of the federal Medicare Prescription Drug, Improvement, and Modernization Act of 2003; directing DHS to initiate planning to address options available under the federal Family Opportunity Act relating to children with disabilities; directing DHS to apply to participate in the Medicaid Transformation Grants Program as provided in the federal Deficit Reduction Act of 2005; providing funding for a matching grant program to a nonprofit organization of medical providers established to provide direction in promoting a health care culture of continuous improvement in quality, patient safety, and value through collaborative efforts by hospitals and physicians; authorizing DHS to amend the Medicaid state plan to provide Medicaid reciprocity for children who receive an adoption subsidy who are not eligible for funding under Title IV-E of the federal Social Security Act; directing DHS to submit a medical state plan amendment based upon the draft submitted on March 1, 2006; and directing DHS to review the impact of the federal Deficit Reduction Act of 2005 on the state's Medicaid reimbursement policy for multiple source prescription drug products and on participating pharmacies.
- *HEALTH INSURANCE PREMIUM PAYMENT PROGRAM, MEDICAL CONTRACTS, STATE SUPPLEMENTARY ASSISTANCE (SSA), AND CHILDREN'S HEALTH INSURANCE PROGRAM.* The division makes appropriations to continue the Health Insurance Premium Payment Program, which provides payment for private health insurance in lieu of Medicaid Program coverage; provides funding for contracted services associated with the Medicaid Program; appropriates funding for SSA and the Medicaid Program home and community-based services waiver rent subsidy; and appropriates funds for the state children's health insurance program known as the Healthy and Well Kids in Iowa (hawk-i) Program.

- *CHILD CARE ASSISTANCE.* The division provides an appropriation for the State Child Care Assistance Program and child day care resource and referral services. The division requires that a list of the registered and licensed child care facilities operating in the area served by a child care resource and referral service be provided to families receiving state child care assistance in that area. Additionally, a portion of the funds is transferred to the Iowa Empowerment Fund to be used for professional development for the system of early care, health and education.
- *JUVENILE INSTITUTIONS.* The division makes appropriations to the Iowa Juvenile Home at Toledo and the State Training School at Eldora. A portion of the funds appropriated to each institution is to be used to provide books or other learning materials and activities. The division also provides the intent of the General Assembly that effective July 1, 2009, placements at the Iowa Juvenile Home will be limited to females and that placement of boys at the home will be diverted to other options. The division also directs DHS to utilize a study group to make recommendations on the options for diversion of placements of boys and submit a report on or before July 1, 2007.
- *CHILD AND FAMILY SERVICES.* The division appropriates funds for child and family services, provides for continuation of the cap for group foster care, and continues previous requirements for child welfare services.

Division I also provides funding to provide support for young adults who are age 18 and graduate from high school or complete a graduation equivalency diploma after May 1, 2006, have a self-sufficiency plan, are continuing their education, and are working or are in work training. A portion of the funding is to be used for a program for young adults who leave foster care services at age 18 that was enacted in S.F. 2217 (see Human Services).

Funding is provided for a grant to expand an existing program operated by a nonprofit organization providing family treatment and community education in a nine-county area and for juvenile drug courts, for a multidimensional treatment level foster care program that was enacted in H.F. 2567 (see Children & Youth), for child welfare diversion and medication pilot projects, and for a grant to a nonprofit human services organization for support of a project providing immediate, sensitive support and forensic interviews, medical exams, needs assessments, and referrals for victims of child abuse and their offending family members.

ADOPTION SUBSIDY. The division makes a separate appropriation for the Adoption Subsidy Program.

JUVENILE DETENTION HOME FUND. The division addresses the Juvenile Detention Home Fund, consisting of funds collected by the Iowa Department of Transportation (DOT) at the time DOT suspends, revokes or bars a person's motor vehicle license or nonresident operating privileges. Moneys in the fund are to be used for the costs of the establishment, improvement, operation, and maintenance of county or multicounty juvenile detention homes; renewal of a grant to a county for implementation of its runaway treatment plan; continuation and expansion of the community partnership for child protection sites; continuation of minority youth and family projects under the child welfare redesign; and for a state match for the federal Substance Abuse and Mental Health Services Administration system of care grant, or if the grant is not approved on or before January 1, 2007, for additional allocation to county or multicounty juvenile detention homes.

FAMILY SUPPORT SUBSIDY PROGRAM AND CONNER DECREE. The division provides an appropriation for the Family Support Subsidy Program and makes an appropriation to continue

coordination and training opportunities associated with disability services in accordance with the Conner decree.

MENTAL HEALTH INSTITUTES AND STATE RESOURCE CENTERS. The division provides appropriations to the mental health institutes at Cherokee, Clarinda, Independence, and Mount Pleasant and makes appropriations for the resources centers at Glenwood and Woodward utilizing a net General Fund of the State appropriation approach known as net budgeting. The appropriations to the mental health institutes at Cherokee and Independence include funds for provision of books or other learning materials and activities associated with the children placed at the institutions. The division directs DHS to implement a new 20-bed substance abuse treatment unit beginning October 1, 2006, at the Mental Health Institute at Mount Pleasant.

STATE CASES. The division makes an appropriation from the General Fund of the State for mental illness, mental retardation, and developmental disabilities state cases. The division also allocates \$200,000 from the funds received through the federal Community Mental Health Center Block Grant for state cases. See H.F. 2780 in Human Services for provisions transferring state case management responsibilities to counties.

MENTAL HEALTH, MENTAL RETARDATION, AND DEVELOPMENTAL DISABILITIES (MH/MR/DD) SERVICES. The division includes a number of provisions affecting provision of state funding of MH/MR/DD services provided to adults by counties. One provision relates to funding for MH/MR/DD services growth. Under current law, the state is required to annually provide funding for the growth in county MH/MR/DD services expenditures. The Act continues a practice begun in 2001 combining the moneys appropriated for growth and the moneys appropriated for the MH/MR/DD Community Services Fund and applies a reduction to formula distribution amounts based upon the relative size of a county's ending balance. The division also allocates \$260,000 of the appropriation to DHS for development of a functional assessment process for use beginning in a subsequent fiscal year as authorized specifically by a statute enacted in a subsequent fiscal year.

SEXUALLY VIOLENT PREDATORS. Division I appropriates funding for payment of costs associated with the commitment and treatment of sexually violent predators at the Mental Health Institute at Cherokee.

FIELD OPERATIONS, GENERAL ADMINISTRATION, AND VOLUNTEERS. The division includes appropriations for DHS field operations, general administration, and volunteers. The appropriation for general administration includes an allocation for the Prevention of Disabilities Policy Council, an allocation for a statewide coordinator for the program of all-inclusive care for the elderly, and an allocation of \$500,000 for salary and technical assistance expenses for DHS to reestablish a separate division to which the appropriate departmental duties addressing mental health, mental retardation, developmental disabilities, and brain injury (MH/MR/DD/BI) services may be assigned.

MEDICAID, STATE SUPPLEMENTARY ASSISTANCE, AND SOCIAL SERVICES PROVIDERS REIMBURSED UNDER DHS. In addition to health care providers, reimbursement rates are established for social services providers. In general, reimbursement rates are increased by 3 percent over the rates in effect on June 30, 2006. Additionally, appropriations from the Senior Living Trust Fund and other special funds increase reimbursements of some of these providers.

The division provides a limitation to the budget for nursing facilities for FY 2006-2007 and provides for adjustment of portions of the rate calculation. The division notwithstanding prior session law relating to nursing facilities using a case-mix methodology to allow for the revision of excess payment allowances for those facilities with direct care and indirect care costs at certain percentages below the median.

The division directs DHS to increase the personal needs allowance under the Medicaid Program which may be retained by a resident of a nursing facility to \$50 (see H.F. 2319, Health & Safety).

Beginning January 1, 2007, the reimbursement rate for child care providers reimbursed under the State Child Care Assistance Program is to be based on the rate reimbursement survey completed in December 2004.

The division also directs DHS to apply the 3 percent reimbursement rate increase authorized for FY 2005-2006 separately from the 3 percent reimbursement rate increase authorized for FY 2006-2007.

LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP). The division provides an appropriation to the Division of Community Action Agencies of DHR for supplementation of the appropriation made for LIHEAP in 2005 Iowa Acts, Chapter 164, Section 10. The division also provides for a transfer of a portion of the funds appropriated in the succeeding fiscal year to DHS for the Family Development and Self-Sufficiency Grant Program and requests the Legislative Council to authorize review of LIHEAP and the weatherization program by the Fiscal Committee of the Legislative Council or other body during the 2006 legislative interim.

OTHER PROVISIONS. The division amends the Code section relating to the Home and Community-Based Services Revolving Loan Program Fund under the Iowa Finance Authority to provide for additional purposes for which the fund may be used.

The division amends 2005 session law to increase the nursing facility budget limitation and provides for adjustment of the nursing facility reimbursement rate beginning April 1, 2006, and ending June 30, 2006.

The division provides that for the purposes of the budget process for FY 2007-2008, the base budget amounts for the appropriations made to DHS under this division are to be adjusted to include the amounts of the appropriations made for the same purposes for FY 2005-2006 that under this division do not revert and remain available for expenditure in the succeeding fiscal year.

The division provides that moneys appropriated for FY 2005-2006 for the following purposes do not revert but remain available for FY 2006-2007:

1. For the Ryan White Care Act, Title II, AIDS Drug Assistance Program supplemental drug treatment grants.
2. For the Iowa Collaborative Safety Net Provider Network.
3. For addictive disorders and the gambling treatment program.
4. For the Iowa Veterans Home, with the first \$1 million remaining available for expenditure to be used for Iowa Veterans Home operations in the immediately succeeding fiscal year with the balance being transferred to any appropriation made for FY 2006-2007 for purposes of capital improvements, renovations, or new construction at the Iowa Veterans Home. If such an appropriation is not made by the 2006 General Assembly, the balance is to remain available to be used to supplement an appropriation made for such purpose in a subsequent fiscal year. See H.F. 2782 for the Iowa Veterans Home capital improvement projects appropriation.

5. Of the moneys appropriated for the Medical Assistance Program, \$500,000 for expenditure for the operational costs associated with Part D of the federal Medicare Prescription Drug, Improvement, and Modernization Act.
6. Of the moneys appropriated for the State Supplementary Assistance Program, \$1.1 million for the same purposes.
7. Of the moneys appropriated for a quality rating system for child care providers, \$125,000 for the same purpose.
8. Of the moneys appropriated for child and family services, \$1 million for the same purpose.
9. Of the moneys appropriated for the Adoption Subsidy Program, \$2 million for the same purpose.
10. Revenues directly attributable to the psychiatric medical institution for children beds operated by the state at the Mental Health Institute at Independence that are received as repayment receipts and are attributable to FY 2005-2006.
11. Of the amounts appropriated for the state resource centers, \$1.25 million for Glenwood and \$750,000 for Woodward.
12. Of the amount appropriated for MI/MR/DD state cases, \$400,000 for the same purpose.
13. For field operations.

The Act provides a supplemental appropriation for the Medical Assistance Program for FY 2005-2006.

Division II — Senior Living Trust Fund, Endowment for Iowa's Health Account, Pharmaceutical Settlement Account, IowaCare Account, and Health Care Transformation Account

SENIOR LIVING TRUST FUND. Division II makes an appropriation to DEA for a Comprehensive Senior Living Program, including case management only if the monthly cost per client for case management for the frail elderly services provided does not exceed an average of \$70; to the Department of Inspections and Appeals for inspection and certification of assisted living facilities and adult day services; to DHS to supplement the Medicaid appropriation; and to the Iowa Finance Authority for reimbursement for rent expenses under the Rent Subsidy Program.

ENDOWMENT FOR IOWA'S HEALTH ACCOUNT. The division appropriates funds from the Endowment for Iowa's Health Account to the Senior Living Trust Fund.

PHARMACEUTICAL SETTLEMENT ACCOUNT. The division appropriates funds from the Pharmaceutical Settlement Account to supplement the appropriations for medical contracts under the Medicaid Program.

IOWACARE ACCOUNT. The division appropriates funds from the IowaCare Account to the State Board of Regents for distribution to the University of Iowa Hospitals and Clinics (UIHC) for salaries, support, maintenance, equipment, and miscellaneous purposes, medical and surgical treatment of indigent patients, provision of services to members of the IowaCare Program population, and for medical education.

The division appropriates funds from the IowaCare Account to DHS for distribution to a publicly owned acute care teaching hospital located in a county with a population of over 350,000 for

provision of medical and surgical treatment to indigent patients, provision of services to members of the IowaCare Program population, and for medical education.

The division appropriates funds from the IowaCare Account to the state mental health institutes at Cherokee, Clarinda, Independence, and Mount Pleasant.

ACCOUNT FOR HEALTH CARE TRANSFORMATION. The division appropriates funds from the Account for Health Care Transformation to DHS for medical examinations and development of personal health improvement plans for the IowaCare population; for provision of a medical information hotline for the IowaCare population; for the Insurance Cost Subsidy Program for the Health Care Account Program option; for use of electronic medical resources by IowaCare and Medicaid providers; for health care partnership activities; for costs related to audits, performance evaluations, and studies; for administrative costs associated with IowaCare; for development of a case-mix acuity-based reimbursement system for intermediate care facilities for persons with mental retardation; and for development of a provider incentive payment program. The division also authorizes DHS to transfer funds among the appropriations and to report any transfers to the Legislative Services Agency.

Division II provides that appropriations from the General Fund of the State, the Senior Living Trust Fund, and the Healthy Iowans Tobacco Trust Fund to DHS for the Medicaid Program for FY 2006-2007 that remain unencumbered or unobligated at the close of the fiscal year do not revert but are to be transferred to the Senior Living Trust Fund.

Division II amends Code Section 249.11 to allow for disbursement of grant moneys for nursing facility conversion and long-term care services development for which grants were awarded on or before June 30, 2005, and provides for nonreversion of funds committed to such grants for use in any fiscal year.

Division II amends H.F. 2347 (see Human Services), to transfer funds from the Account for Health Care Transformation to the IowaCare Account for FY 2005-2006. Division II also amends 2005 Session Law to increase the appropriation to UIHC from the IowaCare Account, with allocation of the increased amount being contingent upon availability of federal funds to match the amount allocated.

Division II also amends 2005 Session Law to limit transfer of funds appropriated for the Medical Assistance Program.

Division III — Mental Health, Mental Retardation, Developmental Disabilities, and Brain Injury Services

Division III appropriates and distributes state funding for allowed growth in the expenditures MH/MR/DD/BI services provided by counties. The appropriation is made for allowed growth a year in advance. For FY 2006-2007 the original appropriation is increased by \$3.1 million and \$2 million is retained that in prior years was transferred to Medicaid. The distribution provisions maintain the practice of concentrating the funds toward those counties with low fund balances that levy at least 70 percent of the maximum authorized.

Division IV — Miscellaneous Provisions

Division IV makes several changes or modifications to provisions relating to various health licensing and public health matters.

The division provides for the appointment and qualifications of one or more employees of DPH that may be designated acting director of the department.

The division also provides for the establishment of an Office of Multicultural Health within DPH and specifies the new office's responsibilities. The division specifies a quorum requirement of a simple majority relating to members of the Brain Injury Advisory Council, and adds a nurse representative to the Domestic Abuse Death Review Team. The division clarifies, with reference to an exclusion from certificate of need requirements in Code Section 135.63 relating to a change in ownership, licensure, organizational structure, or designation of the type of institutional health facility, that this exclusion applies only if the facility consents to the change and ceases offering health services simultaneously with the initiation of health services by the successor facility.

The division establishes a blood lead testing requirement applicable to health care providers under specified circumstances. The division directs DPH to work with health care provider associations to educate certain health care providers regarding requirements for blood lead testing of children, and requires that DPH implement blood lead testing for children under six years of age who are not eligible for the testing services to be paid by a third-party source. DPH shall contract with one or more public health laboratories to provide blood lead analysis, shall establish by rule the procedures for health care providers to submit samples to the contracted public health laboratories for analysis, and shall establish by rule a method to reimburse health care providers for drawing blood samples. Payment for blood lead analysis and drawing blood samples is limited to an amount as appropriated for the program.

Division IV adds the Director of the Iowa Law Enforcement Academy to the list of individuals who are responsible for designating a liaison to assist the Domestic Abuse Death Review Team in fulfilling its duties, and provides that a review team report is required biennially rather than annually.

For purposes of disaster preparedness procedures, a public health disaster can include a natural occurrence or incident, including but not limited to fire, flood, storm, drought, earthquake, tornado, or windstorm, and can also include a man-made occurrence or incident, including but not limited to an attack, spill or explosion. Additionally, the division provides employment protections for employees complying with a quarantine or isolation order issued by the department or by a local board.

The division provides for a technical clarification regarding the enactment of rules by motion or resolution by local boards of health, provides for the determination of an examination requirement by the Speech Pathology and Audiology Board by rule, and deletes a provision permitting revocation of a temporary clinical license for speech pathology and audiology by the board when the temporary licensee's work or supervision is determined not to conform to reasonable standards established by the board.

A person who damages, wrongfully takes or withholds, or removes any component of automated external defibrillator equipment located in a public or privately owned location, including the batteries installed to operate that equipment, is guilty of a serious misdemeanor. The division also makes changes relating to exemptions for military service personnel from being considered engaged in the practice of medicine or surgery for state licensure requirements, adding physicians and surgeons of the air force, marines, or other uniformed services to the exemption and requiring that those exempted hold a current, active and permanent license in good standing issued by another state, district, or U.S. territory.

With regard to the Board of Podiatry Examiners, the division makes changes relating to qualification for a license, providing that a graduate must be from an accredited school of podiatry rather than an accredited high school, providing that an official transcript be presented rather than a diploma, providing that the requirements of a licensing examination shall be determined by the board by rule, and providing for the board to determine residency requirements by rule. Additionally, the division deletes provisions regarding revocation or

expiration of a temporary certificate to practice podiatry by the board under specified circumstances involving lack of a hearing and decision making entirely in the board's discretion.

Concerning actions of the Board of Chiropractic Examiners, the division provides for the board to determine the duration of a temporary certificate regarding the practice of chiropractic, makes technical changes such as changing the word "fees" to "fee," and again deletes provisions similar to earlier portions of the division regarding revocation of a temporary certificate by the board under specified circumstances.

The division shortens the permissible time interval between examinations administered by the Board of Psychology Examiners from six months to 60 days and deletes outdated psychology license requirement language. With regard to the Board of Behavioral Science Examiners, the division provides that a requirement for licensure of at least two years of supervised clinical experience in assessing mental health needs and problems and providing appropriate mental health services shall be broadened to include the equivalent of such experience. An applicant for a license as an optometrist must be a graduate of an accredited school of optometry, rather than possessing an education equivalent of at least four years of study at an accredited high school or other secondary school as currently required. Also, an official transcript rather than a diploma must be presented from an accredited school of optometry, and the optometry examination is determined by the board by rule.

Additionally, the division adds to the existing requirement for a license to practice mental health counseling that an applicant must have at least two years of supervised clinical experience, the ability to qualify by having the equivalent of that experience, in assessing mental health needs and problems and in providing appropriate mental health services as approved by the applicable board. The division also adds temporary licensure provisions for the practice of sign language interpreting or transliterating, addresses license examination requirements, and provides that students in a school of interpreting may only interpret under the direct supervision of a permanently licensed interpreter.

Relating to cosmetology, the division expands the basic cosmetology services that can be provided by persons not licensed by the Board of Cosmetology Arts and Sciences Examiners and employed by hospitals, health care facilities, juvenile homes, and similar facilities, and also lists services that can be provided by volunteers for and residents of such facilities. The division additionally provides for expansion of the number of hours of study required for licensure for the practice of specified cosmetology services to include manicuring and pedicuring, and makes changes relating to the unauthorized practice of cosmetology. The changes primarily relate to references to a temporary license, and specifically referring to practice by a licensee employed by a physician and providing cosmetology services at the place of practice of a physician and under the physician's supervision.

The division adds that a licensing board, for purposes of applying the continuing education and discipline provisions of Code Chapter 272C, includes the Director of Public Health in certifying emergency medical care providers and emergency medical care services pursuant to Code Chapter 147A. The division adds to the duties of the State Medical Examiner the authority to retain tissues, organs, and bodily fluids as necessary to determine the cause and manner of death or as deemed advisable for medical or public health investigation, teaching or research.

Division IV provides for continuation of the existence of the Prevention of Disabilities Council until July 1, 2011.

The division provides for the training and selection of members of the Area Agency on Aging Boards of Directors under Code Sections 231.23 and 231.33.

The requirements for record checks of employees of child care providers under Code Chapter 237A are revised to allow a provider to initiate the check through the electronic single contact repository rather than requiring the check to go through DHS. The single contact repository is used by nursing homes and other health providers and a fee is charged for each check while those made through DHS are not charged to the provider.

The division provides that under the IowaCare Program, following initial enrollment, a member is to reenroll annually by the last day of the month preceding the month in which the member initially enrolled and that DHS may provide a process for automatic reenrollment. Additionally, the division extends to January 31, 2007, the date by which a member who enrolls or reenrolls in IowaCare must participate in a health risk assessment in conjunction with receiving a single comprehensive medical examination and completing a personal health improvement plan. Additionally, the health risk assessment is to utilize a gender-specific approach, and following completion of the initial medical examination, assessment, and personal health improvement plan, subsequent examinations, assessments, and personal health improvement plans are only to be completed with the recommendation and approval of a health care provider. Refusal of an IowaCare member to participate in a health risk assessment, comprehensive medical examination, or personal health improvement plan is not a basis for ineligibility for or disenrollment from the IowaCare Program.

If an IowaCare member pays premiums for a minimum of four consecutive months during a consecutive 12-month period, the member is deemed to have complied with the premium payment requirement for the subsequent consecutive 12-month period and is only then subject to payment of premiums on a month-by-month basis. Information regarding the premium payment and the hardship exemption is to be provided to a prospective enrollee at the time of application for the program, and the prospective enrollee is to acknowledge, in writing, receipt and understanding of the information provided.

The division changes the requirement that the Medical Assistance Projections and Assessment Council (MAPAC) agree to a projection of expenditures for a subsequent fiscal year and instead requires that MAPAC review the consensus projection of expenditures of DHS, the Department of Management, and the Legislative Services Agency for the subsequent fiscal year. The division provides for a process for distribution of tax collections from the county to the publicly owned acute care teaching hospital that acts as a provider under the IowaCare Program and codifies the language regarding the care of indigent patients at UIHC that were formerly included in session law.

THE GOVERNOR ITEM VETOED THE FOLLOWING:

1. The provision relating to moneys appropriated for purposes of the Medical Assistance Program for FY 2006-2007 that provided that these moneys would not be subject to transfer except as authorized in the Act.
2. The directive for the departments and independent agencies receiving an appropriation in the Act to review employee policy for daily or short-term travel and to implement policy revisions to maximize cost savings. The directive included requirements for reporting to the standing committees on Government Oversight.

[HOUSE FILE 2743](#) - Healthy Iowans Tobacco Trust and Tobacco Settlement Trust — Appropriations

BY COMMITTEE ON APPROPRIATIONS. This Act relates to and makes appropriations from the Healthy Iowans Tobacco Trust for FY 2006-2007 to the Department of Human Services (DHS), the Department of Public Health (DPH), the Department of Corrections (DOC), the Department for the Blind, the Property Tax Relief Fund, the Iowa Empowerment Fund, the Iowa Commission on Volunteer Services and the Department of Education (DOE). The Act also makes on

appropriation from the General Fund of the State to the Division of Vocational Rehabilitation Services within DOE.

The appropriations to DHS include funding to supplement the Medical Assistance (Medicaid) Program appropriation with a portion of these funds being used to continue the chronic care consortium; for child and family services and adoption subsidy services, including for reimbursement of rehabilitative treatment and support services providers, adoption, independent living, shelter care, and home studies services providers, and other service providers under the purview of DHS; for supplementation of the appropriation for the children's health insurance program; and for general administration of health-related programs.

The appropriations to DPH include funding for the Comprehensive Tobacco Use Prevention and Control Initiative, for smoking cessation and smoking-related disease products, and for additional substance abuse treatment under the Substance Abuse Treatment Program. The appropriations also include funding for development of a Healthy Iowans 2010 Plan, the Childhood Lead Poisoning Prevention Program, the Automated External Defibrillator Grant Program, the Center for Congenital and Inherited Disorders, grants to individual patients who have phenylketonuria, and to leverage federal funding through the Ryan White Care Act. The appropriations to DPH also include funding for a grant program, utilizing a request for proposals process, to provide substance abuse prevention programming for children, including grants to organizations that provide programming for children utilizing mentors, and including grants to organizations that provide programming that includes out-of-school youth development and opportunities for character development, youth development, and leadership.

The appropriation to DOC includes funding for community-based corrections, day programming, the Drug Court Program, substance abuse treatment, services for dual diagnosis offenders, the Fort Madison correctional facility for the clinical care unit, and the Newton Correctional Facility for a value-based treatment program.

The Act appropriates funding to the Department for the Blind for a statewide program to provide audio news and information services to blind or visually impaired persons residing in the state and to the Property Tax Relief Fund for assistance to counties with limited county mental health, mental retardation, and developmental disabilities services fund balances to pay reimbursement increases in the same amount as provided in FY 2000-2001.

The Act appropriates funding to the Iowa Empowerment Fund for deposit in the School Ready Children Grants Account, to the Department of Economic Development for allocation to the Iowa Commission on Volunteer Services for the Iowa's Promise and Mentoring Partnership Program, and to DOE to establish a competitive grants program to expand the availability of before and after school programs. The Act appropriates funding from the General Fund of the State of the Division of Vocational Rehabilitation Services of DOE for a grant to a nonprofit organization to replace expired federal funding for a nationally recognized program to allow farmers with disabilities to remain in their homes and be gainfully engaged in farming.

The Act amends the Code section relating to the Automated External Defibrillator Grant Program to define "rural" as a geographic area outside an urban or suburban setting with a population of less than 50,000 persons.

The Act provides for the transfer of additional funds from the Endowment for Iowa's Health Account to the Healthy Iowans Tobacco Trust.

THE GOVERNOR ITEM VETOED THE FOLLOWING:

The appropriation to DOC for a value-based treatment program at the Iowa Correctional Institution for Women at Mitchellville.

[HOUSE FILE 2782](#) - Appropriations — Infrastructure and Capital Projects

BY COMMITTEE ON APPROPRIATIONS. This Act relates to and makes appropriations to state departments and agencies from the Rebuild Iowa Infrastructure Fund (RIIF), Environment First Fund, Tobacco Settlement Trust Fund, Vertical Infrastructure Fund, Endowment for Iowa's Health Restricted Capitals Fund, Technology Reinvestment Fund, Endowment for Iowa's Health Account, Public Transit Infrastructure Grant Fund, and Iowa Great Places Program Fund, and provides for related matters.

Division I — Rebuild Iowa Infrastructure Fund

Division I appropriates from RIIF for FY 2006-2007 for projects of the departments of Administrative Services, Corrections, Cultural Affairs, Economic Development, Education, Human Services, Natural Resources, Public Defense, Public Health, Public Safety, and Transportation, and the Iowa Finance Authority, National Program for Playground Safety at the University of Northern Iowa, State Board of Regents, and Treasurer of State.

The division appropriates from RIIF for FY 2007-2008 for projects of the departments of Administrative Services, Cultural Affairs, Public Defense, and Transportation, and for FY 2008-2009 for a project of the Department of Public Defense.

The division appropriates from RIIF to the Department of Administrative Services (DAS) for planning, design and construction costs associated with the construction of a new, approximately 350,000-gross-square-foot state office building, including costs associated with furnishings, employee relocation, and the demolition of the Wallace Building for FY 2007-2008, FY 2008-2009, and FY 2009-2010, the sums of \$16,100,000, \$16,800,000, and \$6,657,100, respectively.

The division appropriates from RIIF to the State Board of Regents for the design and construction of a new university hygienic laboratory at the University of Iowa for FY 2007-2008 and FY 2008-2009, the sums of \$15,650,000 and \$12,000,000, respectively.

Division II — Environment First Fund

Division II appropriates funds from the Environment First Fund to the departments of Agriculture and Land Stewardship, Economic Development, and Natural Resources. The division appropriates \$11 million from the Environment First Fund to the Resources Enhancement and Protection Fund in lieu of the \$20 million appropriated by statute from the General Fund of the State.

Division III — Tobacco Settlement Trust Fund

Division III makes appropriations from the Tax-Exempt Bond Proceeds Restricted Capitals Funds Account of the Tobacco Settlement Trust Fund for FY 2005-2006 for projects of the departments of Administrative Services, Corrections, Natural Resources, Public Defense, and Public Safety.

The division appropriates funds to DAS for costs associated with the restoration of the west capitol terrace.

The division takes effect May 31, 2006.

Division IV — Vertical Infrastructure Fund

Division IV appropriates funds from the Vertical Infrastructure Fund to the State Board of Regents for vertical infrastructure-related improvements associated with the implementation of recommendations provided in separate consultant reports on bioscience, advanced

manufacturing, and information technology submitted to the Department of Economic Development in calendar years 2004 and 2005.

Division V — Endowment for Iowa's Health Restricted Capitals Fund

Division V appropriates funds from the Endowment for Iowa's Health Restricted Capitals Fund for projects of the departments of Administrative Services, Blind, Corrections, Cultural Affairs, Economic Development, Education, Public Defense, Public Safety, Transportation, and Veterans Affairs, the Iowa State Fair Authority, and the State Board of Regents.

The division appropriates funds from the Endowment for Iowa's Health Restricted Capitals Fund to DAS for projects of the department, including planning, design and construction costs associated with the construction of a new approximately 350,000-gross-square-foot state office building.

The division appropriates \$2 million from the Endowment for Iowa's Health Restricted Capitals Fund to the Department of Public Safety (DPS) for allocation to the Division of Fire Protection for the planning, design and construction of regional emergency response training centers in the state.

The division also appropriates \$3 million from the Endowment for Iowa's Health Restricted Capitals Fund to the Department of Cultural Affairs (DCA) for deposit into the Iowa Great Places Program Fund created in the Act. Of this amount, \$1 million is appropriated for and shall be allocated to each of the three Iowa Great Places identified through the Iowa Great Places Program in FY 2005-2006.

The division requires that a state agency that received an appropriation from the Endowment for Iowa's Health Restricted Capitals Fund for the preceding fiscal year shall report annually to the Joint Transportation, Infrastructure, and Capitals Appropriation Subcommittee, the Legislative Services Agency, the Department of Management (DOM), and the Legislative Capitals Projects Committee of the Legislative Council the status of all ongoing projects for which an appropriation from the fund has been made.

Division VI — Technology Reinvestment Fund

Division VI appropriates funds from the Technology Reinvestment Fund created in this division for projects of the departments of Administrative Services, Corrections, Education, Human Rights, Public Defense, and Public Safety, the Iowa Ethics and Campaign Disclosure Board, Iowa Telecommunications and Technology Commission, Iowa Law Enforcement Academy, and the Board of Parole.

The division creates the Technology Reinvestment Fund under the authority of DOM. Moneys in the fund for a fiscal year shall be used for the acquisition of computer hardware and software, software development, telecommunications equipment, and maintenance and lease agreements associated with technology components and for the purchase of equipment intended to provide an uninterruptible power supply. A state agency that received an appropriation from the Technology Reinvestment Fund for the preceding fiscal year shall report annually to the Joint Transportation, Infrastructure, and Capitals Appropriation Subcommittee, the Legislative Services Agency, DOM, and the Legislative Capitals Projects Committee of the Legislative Council the status of all ongoing projects for which an appropriation from the fund has been made.

Division VII — Endowment for Iowa's Health Account

Division VII appropriates from the Endowment for Iowa's Health Account of the Tobacco Settlement Trust Fund to the Department of Natural Resources (DNR) for implementation of

lake projects that have established watershed improvement initiatives and community support in accordance with the department's annual lake restoration plan and report. Such report shall be submitted by the department annually and shall include the department's plans and recommendations for lake restoration projects to receive funding consistent with certain criteria, and shall include the department's assessment of the progress and results of funded projects.

The division also appropriates from the Endowment for Iowa's Health Account of the Tobacco Settlement Trust Fund to the Treasurer of State for deposit in the Watershed Improvement Fund.

Division VIII — Changes to Prior Appropriations

Division VIII revises prior appropriations from RIIIF to DOC and DOE for FY 2006-2007. The division also makes changes to prior appropriations from RIIIF to DAS and DOC for FY 2006-2007.

The division also extends the nonreversion date for the expenditure of funds for the state laboratory facility in Ankeny and for DAS property acquisitions.

Division IX — Miscellaneous Statutory Changes

Division IX requires that a state agency that received an appropriation from RIIIF, the Environment First Fund, the Vertical Infrastructure Fund, and the Tobacco Settlement Trust Fund for the preceding fiscal year shall report annually to the Joint Transportation, Infrastructure, and Capitals Appropriation Subcommittee, the Legislative Services Agency, DOM, and the Legislative Capitals Projects Committee of the Legislative Council the status of all ongoing projects for which an appropriation from the fund has been made. Code Section 8A.321 is amended to require DAS to submit annual status reports for all ongoing capitals projects of the department to the Joint Transportation, Infrastructure, and Capitals Appropriations Subcommittee.

The division provides that DAS shall not expend or obligate more than \$1 million of the funds appropriated for a project unless authorized by a constitutional majority of each house of the General Assembly or by a constitutional majority of the members of each house appointed to the Legislative Fiscal Committee if the General Assembly is not in session. In addition, the department is required to submit a business plan related to the construction of a new state office building that includes certain criteria, including a return on investment analysis.

The division creates regional emergency response training centers in specified areas of the state to be operated by a public agency. The division defines "public agency" for purposes of operation of a regional training center. Moneys appropriated shall not be distributed by DPS to a regional training center until the State Fire Marshal and the regional training center have entered into a training agreement. The division also requests that the Legislative Council establish a committee to study emergency services in the state during the 2006 legislative interim. The provisions of the division relating to regional emergency response training centers take effect May 31, 2006.

The division establishes a Technology and Commercialization Resource Organization to formulate and implement plans and programs for certain core platform areas and to facilitate their commercial application within the state.

The State Board of Regents shall create endowed chair positions using, in part, moneys appropriated to the board for purposes of implementing recommendations provided in separate consultant reports on bioscience, advanced manufacturing, and information technology submitted to the Department of Economic Development.

The division creates the Iowa Great Places Program Fund under the authority of DCA to fund capital infrastructure projects for identified Iowa Great Places through the Iowa Great Places Program.

The division establishes the Public Transit Infrastructure Grant Fund within the Department of Transportation (DOT) to fund public transit systems within the state for construction and infrastructure projects.

The division creates the State Aviation Fund under the authority of DOT to fund airport engineering studies, construction or improvements, and the Windsock Program for public airports.

The division creates the Marine Fuel Tax Fund under the authority of the DNR. The fund shall consist of all revenues derived from the excise tax on the sale of motor fuel used in watercraft.

The provisions of the division relating to the State Aviation Fund and the Marine Fuel Tax Fund take effect July 1, 2007.

The division establishes a Wastewater Treatment Financial Assistance Program to be administered by the Iowa Finance Authority to provide grants to enhance water quality and to assist communities to comply with water quality standards adopted by the DNR.

The division provides that a foreign corporation is not considered to be doing business in the state solely because it utilizes a distribution facility in the state, owns or leases property at the facility, or sells goods at the facility provided not more than 10 percent of the goods sold are shipped to places in the state. This provision applies to tax years beginning on or after January 1, 2006.

Division X — Miscellaneous Appropriations

Division X appropriates funds from interest or earnings on moneys in the federal economic stimulus and jobs holding account to the Iowa Finance Authority and the DNR.

Division XI — Utilities Board and Consumer Advocate Building Project

Division XI creates the Utilities Board and Consumer Advocate Building Project.

The division provides that the Iowa Utilities Board of the Department of Commerce and the Consumer Advocate Division of the Department of Justice are authorized to charge for the cost of developing an energy-efficient building as part of the regulatory fees paid by utilities. The building is to be used to house the two agencies, is required to be designed to be used as a public example for similar efforts, and must be located at or in the vicinity of the State Capitol Complex. A cost-effective approach for financing is required to be used, including lease, lease-purchase, bonding, or installment acquisition. Any amount of the operational appropriations for the board remaining available at the close of FY 2005-2006 is to be retained for purposes of the building project. This provision takes effect May 31, 2006.

HOUSE FILE 2797 - State and Local Government Financial and Regulatory Matters — Appropriations and Miscellaneous Changes

BY COMMITTEE ON APPROPRIATIONS. This Act relates to state and local finances by providing for funding of property tax credits and reimbursements, by making, increasing, reducing, and transferring appropriations, providing for salaries and compensation of state employees, providing for fees and penalties, providing tax exemptions, and providing for properly related matters.

The Act is organized into divisions as follows:

Division I — MH/MR/DD Allowed Growth Funding

Division I appropriates funding for FY 2007-2008 for distribution to counties for allowed growth in mental health, mental retardation, and developmental disabilities services expenditures and to expand services to persons with brain injury. The allocation for brain injury services includes contingent language for transfer of the allocation to the Department of Public Health (DPH) with the enactment of H.F. 2772 (see Human Services).

Division II — Standing Appropriations

Division II limits the standing unlimited appropriations for FY 2006-2007 made for the following purposes: substance abuse treatment and prevention, instructional support state aid, at-risk children programs, payment of nonpublic school transportation, the Educational Excellence Program to improve teacher salaries, and the state share of peace officers' retirement benefits.

In addition, for FY 2006-2007, the following property tax credits are funded from the Property Tax Credit Fund created in the division instead of the General Fund of the State: homestead, agricultural land and family farm, military service, and elderly and disabled tax credit and reimbursement. The Property Tax Credit Fund is funded from the ending balance in the State General Fund from FY 2005-2006.

For the budget process applicable to FY 2007-2008, state agencies are required to submit estimates and other expenditure information as called for by the Director of the Department of Management (DOM) after consultation with the Legislative Services Agency, instead of the information required under Code Section 8.23.

The standing unlimited appropriations made for expenses of the General Assembly are reduced by \$1,267,106.

Code Section 257.35, relating to state aid to schools provided for area education agencies (AEAs), is amended to continue a reduction in that funding of \$8 million for FY 2006-2007. The amount of the reduction for each AEA will be prorated based upon the reduction in the state aid that the agency received in FY 2003-2004.

A directive that the State General Fund surplus for FY 2005-2006 is to be transferred to the Cash Reserve Fund is stricken. This provision takes effect June 2, 2006.

The contingent appropriation under Code Section 8.57(1) of up to 1 percent of the adjusted revenue estimate for FY 2006-2007 from the State General Fund to the Cash Reserve Fund in the event the FY 2005-2006 ending balance distribution was insufficient to bring the fund to the designated level is eliminated for FY 2006-2007.

The revenue estimate determined by the Revenue Estimating Conference on March 24, 2006, is to be used in lieu of the revenue estimate of December 2005 in determining the State General Fund expenditure limitation for FY 2006-2007 budget purposes. This provision applies retroactively to the start of the 2006 Legislative Session (January 9, 2006).

Division III — Salaries, Compensation, and Related Matters

Division III relates to the funding for FY 2006-2007, of salary increases for state appointed nonelected officers, employees subject to collective bargaining agreements, and certain noncontract employees. The division includes an appropriation to the Salary Adjustment Fund to pay for the salary adjustments for executive branch employees other than State Board of Regents employees and judicial branch judges and employees.

The division increases the annual salary rates for justices, judges and magistrates which are to be paid from funds otherwise available to the judicial branch.

The division provides supplemental authorization to fund salaries from trust, revolving and special funds for which the General Assembly has established a budget.

The division provides for extending the Sick Leave Conversion Program under the collective bargaining agreement that covers the greatest number of state employees and which affects sick leave accrual and allows sick leave conversion and use upon retirement for payment of certain health insurance premiums to nonregents employees in the executive branch who are not covered by a collective bargaining agreement.

Members of the Property Assessment Appeal Board shall be considered state employees for purposes of salary and benefits.

The Iowa Public Broadcasting Board, rather than the Governor, shall set the salary of the administrator of the Public Broadcasting Division of the Department of Education within the range established by the General Assembly. The member of the board appointed by the State Board of Regents need not be knowledgeable about telecommunications. Provisions allowing the board and the division to arrange for joint use of available services and facilities and requiring the board to adopt and update a design plan for educational and telecommunications systems in the state are eliminated. Code Section 256.89, concerning the state plan, is repealed. The board may select programming, content partners, and other contractual services without using a competitive selection or performance measure process. Contractual services included in this exception are those related to program production and instructional and educational media. In addition, the board shall approve for submission the division's budget.

Division IV — Other Appropriations and Related Matters

Division IV makes numerous appropriations or reductions in appropriations for FY 2006-2007 and involves related matters as follows (the appropriation source is the State General Fund unless indicated otherwise):

- To the Department of Cultural Affairs (DCA), \$5,000 for a study of arts education and enrichment programming for school-age children.
- To the Veterans Trust Fund, \$4.5 million.
- To the Department of Veterans Affairs, \$1 million for a county grant program for providing improved services for veterans.
- To the Iowa Law Enforcement Academy, \$25,000 for equipment and furnishings.
- To the offices of Governor and Lieutenant Governor to increase the appropriations made for FY 2006-2007 in H.F. 2521 for the Governor's quarters at Terrace Hill by \$22,676 and for membership dues in the National Governors Association by \$16,207.
- To the State Board of Regents, \$200,000 for FY 2007-2008 for allocation to the University of Northern Iowa for the Real Estate Education Program. However, this appropriation was contingent upon the enactment of legislation to appropriate fees credited to the Real Estate Education Fund to the Real Estate Commission in lieu of the State Board of Regents, which did not occur.

- To the State Board of Regents, the division transfers \$2.8 million appropriated for FY 2005-2006 that would otherwise revert. The moneys transferred are to be distributed in FY 2006-2007.
- To increase the appropriation made in H.F. 2521 to the Division on the Status of Iowans of Asian and Pacific Islander Heritage, \$80,000 for salaries, support, maintenance, and miscellaneous purposes and for one full-time equivalent position.
- To DCA, \$85,000 for the African-American Historical Museum and Cultural Center of Iowa in Cedar Rapids, and \$250,000 for Historical Resource Development Program emergency grants for qualified historic preservation projects in Johnson County; and to the Department of Justice for farm mediation services, \$100,000.

Division IV establishes a Sustainable Natural Resource Funding Advisory Committee for the purpose of studying how to provide a sustainable source or sources of funding for natural resources needs in Iowa. The Department of Natural Resources (DNR) shall provide staffing for the advisory committee. The members are made up of representatives of various natural resource-oriented organizations, the Director of the DNR, two senators, and two representatives. The membership of the advisory committee is increased by three members as a result of H.F. 2792 (see Education). The committee shall submit a report to the Governor and the General Assembly by January 10, 2007, on what other states do to provide funding, the amount of funding needed, and methods for obtaining such funding.

The division strikes the final \$17.773 million standing appropriation to be made from the State General Fund to the Endowment for Iowa's Health Account for FY 2006-2007 which was originally made by 2001 Iowa Acts, Chapter 174, Section 1, subsection 2.

Code Section 16.100 is amended to transfer moneys in and received for deposit in the Housing Improvement Fund to the Housing Trust Fund. The Iowa Finance Authority is required to report to the General Assembly regarding the status of the trust fund.

Intent language is expressed that the General Assembly appropriate moneys from the State General Fund for each fiscal year of the fiscal period beginning July 1, 2007, and ending June 30, 2010, to the Housing Trust Fund.

New Code Section 137F.3A is enacted to provide that for fiscal years ending prior to July 1, 2007, the Department of Inspections and Appeals may retain fees imposed on hotels, home food establishments, and certain food establishments and use the fees retained for costs associated with having the department conduct food inspections in jurisdictions where the applicable municipal corporation fails to conduct the inspections on or after July 1, 2005, but prior to July 1, 2007. The section takes effect June 2, 2006, and applies retroactively to July 1, 2005. The section is repealed July 1, 2007.

Code Section 256D.5 is amended to extend through FY 2006-2007 the \$29.25 million standing appropriation for the Iowa Early Intervention Block Grant Program.

The division transfers up to \$50,000 from the \$2 million appropriated to the Home Ownership Assistance Program in 2005 Iowa Acts, Chapter 175, Section 4, subsection 4, for the Enduring Families Program of the Department of Public Defense, as enacted by H.F. 2080 (see Public Defense & Veterans).

Intent language is expressed that the General Assembly appropriate moneys from the State General Fund for the World Food Prize for FY 2007-2008 and FY 2008-2009.

Division V — Miscellaneous Statutory Changes

Division V amends Code Section 7D.29 is amended to allow the Executive Council to review requests from DPH relative to the purchase, storing and distribution of vaccines and medication for prevention, prophylaxis or treatment. The Executive Council may approve the request and incur the necessary expense from moneys in the State Treasury not otherwise appropriated. This provision takes effect June 2, 2006.

Code Section 15E.208 is amended to provide for the forgiveness of the repayment of the loan plus interest which was assigned to the Department of Economic Development during the 2003 calendar year. The loan had been made by an Iowa Agricultural Industry Finance Corporation pursuant to the "Iowa Agricultural Industry Finance Act" in Code Sections 15E.201 through 15E.211.

New Code Section 15G.119, enacted by H.F. 2759 (see Agriculture), which provides for the nonreversion of moneys in the Renewable Fuel Infrastructure Fund, is amended to provide for the reversion of moneys appropriated to the fund that are not encumbered or obligated at the end of FY 2011-2012.

Code Section 22.7, as amended by H.F. 2706 (see Civil Law, Procedure & Court Administration), is amended by including as part of the confidentiality exception to the Open Records Law charitable donations made to a foundation acting solely for the support of a community college. The section is also amended to provide an exemption for individually identifiable client information in a homeless management information system and to provide an exemption for certain specific types of information contained in records relating to housing assistance.

Code Sections 29A.28 and 29A.43 are amended to provide that members of the Civil Air Patrol are treated similarly to members of the National Guard and Reserves and are granted a leave of absence without penalty from their jobs for Civil Air Patrol duty.

Code Section 29A.40 is amended to increase the penalty for false wearing of a military uniform from a simple to a serious misdemeanor.

Code Section 29C.8 is amended to change the reference to Urban Search and Rescue Teams to Homeland Security and Emergency Response Teams and to provide that such teams may be deployed to support an interstate assistance request under the Emergency Management Assistance Compact described in Code Section 29C.21. A member of such a team will be considered a state employee for purposes of the compact if the member is registered with the Homeland Security and Emergency Management Division on an approved team. Approved teams must establish standards for membership and keep updated lists of members. Finally, the Department of Administrative Services (DAS) shall process claims for injury or loss by team members and seek funding for costs from the Executive Council.

Code Section 29C.20 is also amended to reflect the change in reference to Homeland Security and Emergency Response Teams.

Code Section 35A.5 is amended to provide that all funds received, including any lease payments or funds generated from activity engaged in on the property established for the State Veterans Cemetery, are to be deposited into an account dedicated to the establishment, operation and maintenance of the cemetery.

Code Section 35A.13, relating to the Veterans Trust Fund, is amended to express the intent of the General Assembly that beginning with FY 2007-2008, annual appropriations will be made to the fund and to list the purposes for which moneys in the fund may be used. The Veterans Affairs Commission must submit recommendations to the General Assembly for review if the commission identifies other purposes for which moneys could be used to benefit veterans and their families.

Code Section 68B.32A in part provides for the Ethics and Campaign Disclosure Board to assign confidential signature codes for persons who file reports and statements electronically. The division provides that the person who files the reports and statements is responsible for keeping the assigned signature codes confidential and excludes signature codes from state information technology requirements concerning periodic changes of these codes.

New Code Section 70A.15 is created to allow certain governmental employees to contribute to an eligible charity through a payroll deduction. Employees of a school district, county, or city may request a payroll deduction from their wages for purposes of contributing to an eligible charitable organization. The section defines an eligible charitable organization as a not-for-profit federation of health and human services, social welfare, or environmental agencies that is exempt under Section 501(c)(3) of the Internal Revenue Code, has had an office in this state for five years, is governed by a board, represents at least 10 agencies, is not a charitable foundation, and is registered with the Secretary of State's Office.

Code Section 103A.10 is amended to apply the State Building Code to all newly constructed buildings and structures the construction of which is paid for in whole or in part with moneys appropriated by the state but not wholly owned by the state.

New Code Section 103A.10A is enacted to require plan reviews and inspections for state-owned buildings, State Board of Regents-owned buildings, and buildings the construction of which is paid for in whole or in part with moneys appropriated by the state but not wholly owned by the state. The State Building Code Commissioner is required to establish, by rule, fees for plan reviews and inspections and also the proper qualifications for persons required to perform inspections.

Code Section 147.106, relating to billing procedures utilized by referring clinical laboratories providing ana-tomic pathology services, is amended to provide that a laboratory of a physician's office or group practice that ordered the services may be presented a claim, bill, or demand for payment if a physician in the office or practice is performing the professional component of the services.

Code Section 225C.48 is amended to harmonize the membership of the Personal Assistance and Family Support Services Council if both H.F. 845 and S.F. 2217 (see Human Services) are enacted. However, H.F. 845 was not enacted.

Code Section 232.147, amended by H.F. 2651 (see Children & Youth), establishes the persons or agencies that may have access to official juvenile court records through the Internet or in an electronic customized data report prior to a child being adjudicated delinquent.

Code Section 232.149A, amended by H.F. 2651, allows the State Public Defender to have access to official juvenile court records subject to a confidentiality order.

New Code Section 257.12 is enacted to provide for additional state foundation aid for a school district if property originally assessed at \$5 million is reduced in value by \$100,000 or 2 percent of the assessed value of the taxable property in the district, whichever is less. The amount of state aid is the difference between the state aid received based upon the original assessed value and the amount of state aid that would have been received based upon the reduced assessed value.

Code Section 275.15 is amended to allow any person to appeal a decision of the area education agency board regarding boundaries to the State Board of Education.

House File 2713 (see State Government) repeals Code Sections 384.95 and 384.96 pertaining to city bid-letting procedures in favor of the new bidding procedures in new Code Chapter 38, and strikes references to these repealed sections in Code Section 314.1. With the striking of

the references to these repealed sections, Code Section 314.1 retains a \$50,000 bid threshold amount for highway, bridge and culvert improvements in cities with a population of more than 50,000, but no longer contains a bid threshold amount for cities with a population of 50,000 or less. New Code Chapter 38 does not apply to cities for these road-related improvements. This amendment to Code Section 314.1 restores the \$25,000 bid threshold for such improvements, excluding emergency work, for the lesser populated cities. The \$25,000 threshold and emergency work exclusion are taken directly from Code Sections 384.95 and 384.96, the Code sections being repealed. Code Section 314.1 is also amended to require cities that have to let bids to follow the procedures in new Code Sections 38.3 through 38.13.

Code Section 421.17, subsection 27, is amended by rewriting the new paragraph "j", enacted by H.F. 2521 to require that the Department of Revenue retain the costs of salaries, support, maintenance, and other services incurred in collecting debts for other state agencies. Also, the department is to include as part of its annual budget request an estimate of the amount of such costs and the amount of debts to be collected.

Code Section 427.1, subsection 21A, is rewritten to provide a property tax exemption for dwelling unit property owned and managed by a community housing development organization, as recognized by the state and federal government pursuant to criteria for community housing development organization designation contained in the HOME Program of the federal National Affordable Housing Act of 1990, if the organization is also a nonprofit organization exempt from federal income tax and owns and manages more than 150 dwelling units that are located in a city with a population of more than 110,000. This rewritten subsection is amended by H.F. 2792 (see Education) to require the owner of the property to file for the exemption by February 1 of the assessment year for which the exemption is first sought. Upon the filing and allowance of the claim, no further filing is required.

New Code Section 441.38A is enacted to require a property owner or aggrieved taxpayer that files a protest against the assessment of property valued at \$5 million or more to provide notice to the school district in which the property is located. This provision takes effect beginning with the 2007 assessment year.

Code Section 466A.3 is amended to make the legislative members on the Watershed Improvement Review Board ex officio, nonvoting members.

Code Section 631.14 is amended to provide that in an action brought in small claims court concerning a residential rental property that is titled in the name of one or more individuals, an employee of one or more of the titled owners or an officer or employee of a property management entity acting on behalf of a titled owner may bring or defend an action in small claims court in the name of the titled owners, the name of the property management entity, or the name by which the property is commonly known. If in such an action either the plaintiff or defendant has been improperly named in the petition, the court shall substitute the correct real party in interest in the action and the action shall not be delayed or dismissed except as necessary to identify and serve the correct parties to the action.

The division adds as members of the Healthy Children Task Force, to be convened pursuant to S.F. 2251 (see Children & Youth), a representative of the Iowa Podiatric Medical Society and a representative of the Iowa Speech-Language Hearing Association.

Division VI — Settlement of State Financial and Tort Claims

Division VI requires the Director of DOM to designate a position within DOM to serve as the executive branch's risk management coordinator and delineates the coordinator's duties. Salary and other costs associated with the coordinator are subject to approval of the State Appeal

Board and are required to be paid from either the appropriations to DOM or the standing appropriation for claims against the state under Code Section 25.2.

Under Code Section 25.1, relating to receipt, investigation and reporting for claims against the state or by the state, outdated invoices and bills and claims for services provided in the same fiscal year in which the claim is filed must be submitted to the agency against which the claim is made. The division limits this authority to claims charged to a funding source other than the State General Fund, providing the funding source does not revert. The division also provides that Code Chapter 25 does not apply to a state tort claim under Code Chapter 669.

Previous law authorized the State Appeal Board to consider claims of less than 10 years and the division reduces this to claims of less than five years. However, the division allows the board to consider a claim of five years or more provided an error was made by the state or the claim has been disputed for five years or more.

The division also strikes provisions regarding the processing of claims involving outdated state warrants that have been outstanding for six months or longer and canceled by DAS. Under prior law, these claims would be addressed by state agencies and addressed by the State Appeal Board if denied by a state agency. Instead the division moves the provisions for addressing outdated warrants that were charged to the State General Fund to new Code Section 556.2C in the Code chapter relating to unclaimed property. The Director of DAS is required to report information concerning outdated warrants to the Treasurer of State. The treasurer is authorized to include information about the outdated warrants in the abandoned property list annually published by the treasurer and placed on the official Internet website. If a claim was charged to a federal or other nonstate source that is no longer available, the claim may still be addressed by the board.

The Attorney General is authorized to act to adjust and settle state tort claims in place of the State Appeal Board. The board retains the responsibility to adopt rules for the handling, processing and investigation of claims, but tort claims are to be filed with the Director of DOM instead of the board.

A requirement in Code Section 669.4 for service of notice of a suit against a state employee and allowing the state employee to appear is repealed. Instead Code Section 669.5, relating to when suits are permitted, is amended to provide that if the Attorney General certifies that a state employee named as a defendant in a suit was acting within the scope of the employee's office or employment at the time of the incident upon which the claim is based, the state is substituted as the defendant in place of the employee, unless the state was already named as a defendant in the suit. If the Attorney General refuses to certify the state employee was acting within the scope of the employee's office or employment, the employee may petition the court to issue that certification.

The Attorney General, instead of the State Appeal Board, determines attorney fees and expenses and extensions of time for suits. The Attorney General is authorized to investigate each state tort claim instead of the State Appeal Board. The Attorney General may exercise the authority under Code Section 25.5, which provides for taking testimony through affidavits and other means, administering oaths, compelling the testimony of witnesses, and certifying to the district court for contempt. The division eliminates language providing that Code Chapter 25, relating to other types of state claims, does not apply to Code Chapter 669, but allows the Attorney General to make certain provisions of Code Chapter 25 applicable by agreement with the board.

Division VII — Corrective Provisions

Division VII makes corrections to legislation enacted or considered during the 2006 legislative session.

THE GOVERNOR ITEM VETOED THE FOLLOWING:

1. In Division IV, a contingent \$80,000 appropriation from the Manure Storage Indemnity Fund to the DNR to modify its computer database to provide documentation to persons required to submit updated manure management plans as a result of amendments to Code Sections 459.312 and 459.400, if such amendments were enacted. Also vetoed was the provision expressing the contingency for the \$80,000 appropriation. However, no legislation was enacted that amended Code Section 459.312 or 459.400, thus making the appropriation null and void even without the Governor's veto.
2. In Division V, a provision that includes "canines from licensed facilities" in the list of farm products for purposes of county regulation of land use through zoning ordinances.
3. In Division V, a provision that includes "canines from licensed facilities" as part of the definition of "agricultural products" under the state sales and use taxes thus allowing various exemptions for such canines.

BUSINESS, BANKING AND INSURANCE

- [SENATE FILE 2262](#) - Loans for Purchase of Agricultural Land
- [SENATE FILE 2275](#) - Debt Cancellation Coverage — Banks and Credit Unions
- [SENATE FILE 2299](#) - Credit Unions — Public Funds, Membership, Records
- [SENATE FILE 2344](#) - Small Employer Group Health Insurance — Uniform Application Form
- [SENATE FILE 2353](#) - Regulation of Debt Management, Mortgage, Delayed Deposit, and Loan Services Providers
- [SENATE FILE 2364](#) - Insurance and Other Entities or Services Regulated by the Commissioner of Insurance
- [SENATE FILE 2374](#) - Business Entities — Miscellaneous Provisions
- [HOUSE FILE 2507](#) - Labor or Wage Claims in Receivership or Seizure Actions — Priority
- [HOUSE FILE 2587](#) - Regulation of Financial Institutions

RELATED LEGISLATION

- [SENATE FILE 2207](#) - Publication of Official Notices
SEE CIVIL LAW, PROCEDURE & COURT ADMINISTRATION. This Act allows notices, proceedings, and all other matter required by law or ordinance to be published in a newspaper, to be published in newspapers published primarily in English.
- [SENATE FILE 2253](#) - Substantive Code Corrections
SEE STATE GOVERNMENT. This Act corrects the use of a term in language relating to Department of Administrative Services personal property management; clarifies a description of the business accelerator's professional staff qualifications; updates Department of Agriculture and Land Stewardship meat, poultry or dairy establishment inspection language; eliminates an obsolete reference in a Cattle Promotion Fund provision; conforms language specifying Iowa Soybean Association Board duties to other language; updates a citation to federal pasteurized milk regulation; conforms language regarding the treatment of manufactured home communities under a sales tax definition to treatment of mobile home communities; eliminates an obsolete provision in penalty language regarding sales by cigarette retailers to minors; makes a variety of corrections in language providing for the establishment of cooperative associations; corrects the use of a term in a provision regarding employment of investment adviser representatives; updates a reference in language regarding incorporation of nonprofit health service corporations; clarifies proscribed activities in the motor vehicle service contract industry; corrects citations in the Iowa Cemetery Act; adds the Interior Designer Examining Board to the list of boards regulated by the Professional Licensing and Regulation Division of the Department of Commerce; adds a citation to the Iowa Cooperative Associations Act in an exception to a recording requirement in language relating to the use of trade names; makes corrections regarding the contents of franchise disclosure documents; adds a Trust Code reference in medical assistance income trusts language; eliminates an obsolete future repeal of a community college workforce training and economic development

funding provision; corrects a retroactivity issue relating to the Iowa Comprehensive Health Insurance Program; and repeals an obsolete provision relating to business corporations. The provision relating to the indemnification of board members, officers and employees of cooperative associations takes effect April 7, 2006, and applies retroactively to January 1, 2005.

[SENATE FILE 2301](#)

- Debt Collection and Bankruptcy — Exempt Personal Property
SEE CIVIL LAW, PROCEDURE & COURT ADMINISTRATION. This Act relates to exemptions for certain personal property from execution by creditors in state court debt collection and federal bankruptcy actions.

[SENATE FILE 2378](#)

- Cooperative Associations — Conversion
SEE AGRICULTURE. This Act provides that a cooperative association organized under Code Chapter 497 may convert to a cooperative association governed under Code Chapter 499, and includes transitional procedures such as adopting and recording a resolution reciting the intention of the cooperative association to be governed under Code Chapter 499 by a vote of 66 and 2/3 percent of the members present or represented by mailed ballots. The Act takes effect April 20, 2006.

[SENATE FILE 2390](#)

- Sales and Use Tax — Telecommunications Providers — Central Office and Transmission Equipment
SEE TAXATION. This Act exempts from sales and use taxes beginning July 1, 2012, central office equipment and transmission equipment sold or rented for use in transporting communications services by local exchange carriers, competitive local exchange service providers, certain franchised cable television operators, mutual companies, cooperatives, municipal utilities not subject to rate regulation, long distance companies, and commercial mobile radio services. From July 1, 2006, until June 30, 2012, the taxes on such equipment are phased out by means of a refund process where the tax is paid and a refund is applied for each year the amount of refund increases.

[HOUSE FILE 537](#)

- Investment of Public Funds
SEE STATE GOVERNMENT. This Act relates to the investment of public funds by the Treasurer of State, state agencies, and public subdivisions by permitting public funds that are deposited in a depository and are not covered by federal deposit insurance to be invested in certificates of deposit issued by one or more federally insured banks or savings associations.

[HOUSE FILE 2362](#)

- Recycling and Salvage of Motor Vehicles and Vehicle Components
SEE ENVIRONMENTAL PROTECTION. This Act requires motor vehicle manufacturers to develop and implement a system or systems for the removal, collection and recovery of mercury-added switches from end-of-life vehicles.

[HOUSE FILE 2459](#)

- Appropriations — Economic Development
SEE APPROPRIATIONS. This Act provides for financial assistance to small business development centers for purposes of business succession planning assistance.

- [HOUSE FILE 2506](#) - Identity Theft Passports
SEE CRIMINAL LAW, PROCEDURE & CORRECTIONS. This Act relates to the issuance of an identity theft passport to a victim of identity theft by the Attorney General. A creditor of the victim may accept the identity theft passport at the discretion of the creditor.
- [HOUSE FILE 2508](#) - Wage Payment Deposit and Payday Statement Information
SEE LABOR & EMPLOYMENT. This Act provides that an employee hired on or after July 1, 2005, may be required to participate in direct deposit of their wages in a financial institution as a condition of employment, and provides that if an employer fails to send an employee's wages for direct deposit on or by the regular payday, the employer is liable for the resulting overdrafts.
- [HOUSE FILE 2509](#) - Family Investment Program — Financial Education Component
SEE HUMAN SERVICES. This Act requires financial education to be made available for applicants for and participants in the Family Investment Program (FIP).
- [HOUSE FILE 2525](#) - Transportation — Administration and Miscellaneous Regulations
SEE TRANSPORTATION. This Act changes the dollar amount of property damage that triggers the security requirements under the Motor Vehicle Financial Responsibility Law. The Act also contains licensing provisions applicable to vehicle dealers, manufacturers, distributors, wholesalers, authorized vehicle recyclers, and persons engaged in the leasing of vehicles.
- [HOUSE FILE 2565](#) - Electronic State Child Care Assistance Program Payments
SEE CHILDREN & YOUTH. This Act requires the Department of Human Services to implement a system for making State Child Care Assistance Program payments by electronic funds transfer or other electronic means. The system is required to be implemented by July 1, 2007.
- [HOUSE FILE 2632](#) - Regulation of Real Estate Brokers, Salespersons, and Transfers
SEE STATE GOVERNMENT. This Act relates to real estate, including the licensure of brokers and salespersons, injunctive relief, and disclosures.
- [HOUSE FILE 2661](#) - Linked Investments for Tomorrow Act Revisions
SEE ECONOMIC DEVELOPMENT. This Act relates to the Linked Investments for Tomorrow Act.
- [HOUSE FILE 2716](#) - Reports and Information Relating to Medical Condition and Treatment
SEE CIVIL LAW, PROCEDURE & COURT ADMINISTRATION. This Act relates to civil actions for personal injury or death, including certain evidentiary, reporting, and study information requirements. The Act in part requires an insurer providing medical malpractice insurance coverage to Iowa health care providers to file annually on or before June 1 with the Commissioner of Insurance a report of all medical malpractice insurance claims, both open and closed, filed during the reporting period, against any such Iowa insureds during the preceding calendar year and specifies certain information that must be contained in the report.
- [HOUSE FILE 2731](#) - Urban Renewal — Targeted Jobs Withholding Tax Credit
SEE ECONOMIC DEVELOPMENT. This Act allows four pilot project cities to assist in funding projects in their urban renewal areas by means of a targeted jobs credit from withholding for a period of 10

years. This credit is available to businesses that are or will locate in an urban renewal area.

[HOUSE FILE 2742](#)

- Probate and Trust Codes — Miscellaneous Provisions
SEE CIVIL LAW, PROCEDURE & COURT ADMINISTRATION. This Act relates to the Iowa Probate and Trust Codes.

[HOUSE FILE 2769](#)

- Community Empowerment Initiative
SEE CHILDREN & YOUTH. This Act relates to the Community Empowerment Initiative to address the needs of children from birth through age five and their families and includes annual appropriations for the initiative involving early care, health, and education programs for FY 2006-2007 through FY 2008-2009. An allocation is designated for initiatives to implement the recommendation of a Business Community Investment Advisory Council created in the Act to develop recommendations on means to leverage private investment in early, health, and education services, provide options for creating public-private partnerships to support those services, and perform related tasks.

[HOUSE FILE 2794](#)

- Taxes, Tax Policy, and Administration
SEE TAXATION. This Act relates to policy and administrative changes to tax law and related matters and updates the Streamlined Sales and Use Tax Law. Division I exempts from the sales tax fuel consumed for processing tangible personal property or for generating electric current; amends the sales tax exemption for river vessel repair services by eliminating the condition that the vessel be moored at a physical location in this state and applies the exemption to a vessel in any navigable water boarding the state; exempts from the sales tax the sale of coins, currency and bullion; amends the use tax exemption on the transfer of motor vehicles from a business entity to a corporation to apply only if the corporation has been in existence for not longer than 24 months; and allows a motor vehicle dealer to subtract for use tax purposes the value of a motor vehicle which has previously been registered from the value of a replacement vehicle taken from the dealer's inventory when determining the amount of use tax on the replacement vehicle. Division II updates Iowa's sales and use tax laws to implement changes pursuant to the Streamlined Sales and Use Tax Agreement.

BUSINESS, BANKING AND INSURANCE

[SENATE FILE 2262](#)

- **Loans for Purchase of Agricultural Land**

BY COMMITTEE ON COMMERCE. This Act relates to the prepayment of a loan to purchase agricultural land. The mortgage lender of a loan for agricultural land may impose interest or penalties for prepaying all or part of the loan in addition to interest and penalties allowed under the loan agreement if the term of the loan is more than five years.

[SENATE FILE 2275](#)

- **Debt Cancellation Coverage — Banks and Credit Unions**

BY COMMITTEE ON COMMERCE. This Act allows a state bank or a credit union to offer voluntary debt cancellation coverage, whether insurance or debt waiver, to consumers or credit union members, respectively. The amount charged for such coverage must be included in the amount financed but may be excluded from the finance charge.

SENATE FILE 2299 - Credit Unions — Public Funds, Membership, Records

BY COMMITTEE ON COMMERCE. This Act relates to credit unions and the deposit of public funds in a credit union. Before a public officer can deposit public funds with a credit union in excess of the amount federally insured, the public officer is required to obtain security for the deposit. The credit union may deposit securities for the benefit of the public officer, including those secured or guaranteed by a corporate central credit union or a corporate credit union. Further, a credit union which receives public funds is required to pledge securities owned by the credit union. The Act provides that these securities may be pledged by deposit with a corporate central credit union or a corporate credit union pursuant to a bailment agreement or a pledge custody agreement. A corporate central credit union or a corporate credit union then must comply with certain reporting requirements. A corporate central credit union and a corporate credit union are organized primarily to provide financial services to the federal and state credit unions which are members of the corporate central credit union or the corporate credit union.

The Act eliminates the requirement that to continue membership in a credit union, a member must comply with changes in the par value of the share.

A credit union is not required to preserve its records for a period longer than 11 years after the first day of January of the year following the time of the making or filing of the record. Further, the Act clarifies the liability of a credit union for the destruction of records.

SENATE FILE 2344 - Small Employer Group Health Insurance — Uniform Application Form

BY COMMITTEE ON COMMERCE. This Act requires the Commissioner of Insurance to work with entities providing health insurance coverage to small employers to develop a uniform application form to be utilized by all small employer carriers and to report recommendations for development of the form to the General Assembly by December 31, 2006, for use by all small employer carriers by December 31, 2007. A "small employer carrier," as defined in Code Section 513B.2, offers health benefit plans covering the employees of a small employer, which, as defined in Code Section 513B.2, employs two to 50 employees.

SENATE FILE 2353 - Regulation of Debt Management, Mortgage, Delayed Deposit, and Loan Services Providers

BY COMMITTEE ON COMMERCE. This Act amends and updates five different Code chapters, the provisions of which are administered by the Superintendent of Banking, as follows: Chapter 533A, "Debt Management"; Chapter 533D, "Delayed Deposit Services"; Chapter 535B, "Mortgage Bankers and Brokers"; Chapter 536, "Regulated Loans"; Chapter 536A, "Industrial Loans."

The Act makes similar amendments to the various chapter provisions, including the following:

1. Licensure requirements. The Act deletes the writing requirement for applications, addresses what persons are required to apply for a license and pay an annual fee, and provides the basis upon which the superintendent grants a license and conducts investigations.
2. Renewal of license. The Act provides for an annual renewal application and adjusts the due dates for applications. The Act also provides for annual fees and late fees.
3. Change in control, name or address provisions — fees required. Prior to a change in control, as defined, the superintendent must approve the change and may require information to determine whether a new application must be filed. A \$100 fee is required for approval. Likewise, the licensee must notify the superintendent of a

proposed change in the name or address. A \$25 fee is required for each license affected by the change in name or address.

4. Cost of examination. The superintendent is required to determine the cost of examination based upon the actual cost of operation of the Finance Bureau of the Banking Division of the Department of Commerce, including the proportionate share of administrative expenses. The licensee must pay a fee for late payment of the examination fee.
5. Release of information. All documents relating to the superintendent's supervision of licensees are confidential; however, the superintendent is authorized to disclose information to state or federal regulatory authorities and also under circumstances that do not disclose the identity of the licensee, i.e., aggregate reporting. The superintendent may provide information to the Attorney General as well for purposes of enforcing the law.

In Code Chapter 533A, the Act defines "allowable cost," "donation," "gratuitous debt-management service," and other terms. A "donation" is an amount of money paid by the debtor to the licensee as a gift outside the debt-management service. If a licensee requests a donation, the licensee must make it clear to the debtor that the donation is not a condition or requirement for debt management services. A donation is not a fee. For the licensing, the Act increases the bond amount from \$10,000 to \$25,000, and the renewal license fee is raised from \$100 to \$250.

In Code Chapter 533D, the Act requires that a licensee must disclose to the maker of the check the annual percentage rate as computed pursuant to the federal Truth in Lending Act.

Code Chapter 535B currently applies to first mortgage loans. The Act strikes the word "first" so that the chapter provisions now apply to any loan secured by residential real property. The Act requires the licensee to conduct business under the name named in the license; however, the administrator may issue more than one license upon compliance with the chapter. The Act also adds an enforcement provision. If a licensee or an individual registrant violates the chapter, or a rule or order as applicable, the administrator may impose disciplinary actions against such licensee or registrant, including civil penalties. The Act also modifies the bonding requirements for the licensing of a mortgage broker or a mortgage banker. Finally, the Act permits the administrator to participate in a multistate automated licensing system for mortgage bankers, mortgage brokers, and individual registrants. For purposes of such a multistate automated licensing system, the administrator may create by rule or order new requirements for applicants, such as fingerprinting and criminal history checks and related fees.

In Code Chapter 536, the Act strikes and replaces "State Banking Council" with "superintendent" to reflect that certain duties have been transferred to the superintendent. The Act repeals Code Section 536.25, which requires the licensee when making a loan to obtain a written statement of the borrower's installment indebtedness.

In Code Chapter 536A, the Act applies restrictions to an industrial loan company that sells debt instruments to the general public.

SENATE FILE 2364 - Insurance and Other Entities or Services Regulated by the Commissioner of Insurance

BY COMMITTEE ON COMMERCE. This Act relates to various matters under the purview of the Insurance Division of the Department of Commerce.

PREMIUM TAXES. Code Section 432.1 is amended to provide that premium taxes paid by insurance companies are computed on gross premiums written. Code Section 432.5 is

amended to provide that premium taxes paid by risk retention groups are computed on gross premiums written during the previous calendar year.

IOWA UNIFORM SECURITIES ACT AMENDMENTS. Code Chapter 502 is referred to as the "Iowa Uniform Securities Act." Code Section 502.102 is amended to specify that an industrial loan company that is not an "insured depository institution" as defined in the Federal Deposit Insurance Act or other federal statute is not a "depository institution" for purposes of Code Chapter 502.

Code Section 502.201 is amended to provide that securities issued by a cooperative organized under Code Chapter 501A that deals in commodities or member services are exempt from certain requirements of Code Chapter 502.

Code Section 502.412 is amended to provide that an administrative action for revocation or cancellation of a registration under the chapter cannot be based solely on an order issued by another state more than one year after the date of that order.

Code Section 502.510 is amended to change the grounds upon which a purchaser is barred from maintaining a legal action for receiving investment advice. Under the Act, the grounds refer to advice given by an investment receiving advisor or representative who is not registered rather than an untrue statement or omission of a material fact.

INSURANCE DIVISION PROCEDURES. Code Section 505.16 is amended to require the commissioner to adopt rules requiring positive HIV tests of an insurance applicant or policyholder to be reported to specified medical authorities.

New Code Section 505.27 provides that commission of any act by a person under Code Chapter 502 (regulating securities), 502A (regulating commodities), 505 through 523 (regulating insurers), 523A through 523G, and 523I (regulating businesses, including residential care facilities, funeral homes, and cemeteries) constitutes consent by that person to the jurisdiction of the commissioner and the district courts of this state.

New Code Section 505.28 gives the commissioner authority to appoint a designee or an independent administrative law judge to hear contested cases arising from conduct regulated by the Insurance Commission relating to issues described in new Code Section 505.27.

New Code Section 505.29 allows the commissioner to collect a reasonable fee, established by rule, for each acceptance of service of process and appropriates the fees collected to the Insurance Division to offset the costs of receiving such service of process.

Code Section 507.10 is amended to allow the commissioner to disclose certain information obtained during examination of insurance companies to the National Association of Insurance Commissioners.

Code Sections 507.14 and 22.7 are amended to provide that certain specified information produced, obtained by, or disclosed to the Commissioner of Insurance in the course of analysis of the financial condition or market conduct of an insurer is a confidential record except under specified circumstances.

Code Section 507A.4 is amended to allow certain self-funded health benefit plans sponsored by employers in this state to provide health benefits to independent contractors of the employers and their dependents, and not be subject to the provisions otherwise regulating unauthorized insurers under the Code chapter.

Code Section 507A.9 is amended to require that premium taxes on unauthorized insurers be computed on gross premiums charged equal to the premium tax charged to insurance

companies according to the applicable percent under Code Section 432.1, instead of on 2 percent of gross premiums charged.

Code Section 507B.4 is amended to classify the following as unfair or deceptive insurance trade practices: improper use of inquiries by an applicant or insured about coverage or loss, improper use of loss history of a previous owner, failure to disclose the use of claims history of a property when reviewing an application, and failure to produce information to which a policyholder or applicant is entitled. The section is also amended to define "personal lines property and casualty insurance" as insurance sold to individuals and families primarily for noncommercial purposes as provided in Code Chapter 522B.

New Code Section 507B.4B prohibits a person from recommending an annuity contract to any individual unless the person has reasonable grounds to believe that the annuity is suitable for that individual, and maintains a system to monitor such recommendations for compliance with the suitability requirements of the section. The commissioner is directed to establish standards for implementation of the suitability requirements.

New Code Section 507B.15 allows the commissioner to appoint a designee or an independent administrative law judge to hear contested cases concerning regulation of insurance trade practices.

Code Section 507C.2 is amended to provide that general assets of an insurer for purposes of supervision, rehabilitation and liquidation provisions of the Code chapter generally do not include that portion of assets of the insurer allocated and accumulated in a separate account providing for life insurance or annuities.

Code Section 507C.42 is amended to define "insurer's estate" to mean the general assets of the insurer. The section is also amended to specify that claims considered Class 2 for purposes of establishing a priority of distribution of claims from an insurer's estate under the supervision, rehabilitation and liquidation provisions of the Code chapter include certain claims under funding agreements by life insurance companies and certain claims for an insufficiency in the assets allocated and accumulated in a separate account by those companies (under Code Section 508.31A).

Code Sections 507E.5 and 22.7 are amended to provide that specified information obtained by the commissioner during the course of an insurance fraud investigation is a confidential record except for specified exceptions.

INSURANCE COMPANIES AND OTHER ENTITIES. Code Section 508.13 is amended to provide a process for life insurance companies to renew their certificates of authority annually. A failure to timely file an application for renewal is punishable by an administrative penalty of \$500.

Code Section 508A.1 is amended to correspond to the changes to Code Section 507C.42 by providing that insufficiencies in assets allocated and accumulated in separate accounts providing for life insurance or annuities are Class 2 claims under Code Chapter 507C, providing for the priority of distribution from an insurer's estate.

Code Section 509.1 is amended to allow premiums for group accident or health insurance to be paid by the policyholder from funds of the employer, the insured employee, or both and provides that accident and health insurance does not include disability income insurance.

Code Section 509A.15 is amended to require the governing body of a self-insurance plan of a political subdivision or school corporation to certify to the commissioner that the plan has a contract or other arrangement with a currently registered third-party administrator. The section is also amended to exempt a self-insurance plan of a political subdivision or school

corporation from certain certification requirements if yearly claims do not exceed 2 percent, instead of 1 percent, of the entity's general fund budget.

Code Section 509B.1 is amended by striking the definition of "individual policy" or "converted policy."

Code Section 509B.5 is amended to eliminate the requirement that group accident or health insurance policies provide individual or converted policies for an employee or member whose coverage under the group policy has been terminated.

Code Section 510.11 is amended by striking and replacing definitions including for "life or health insurance" and "third-party administrator." Various provisions in Code Chapter 510 are amended by changing the term "administrator" to "third-party administrator" wherever it appears in that chapter.

Code Section 511.8, concerning certain requirements for financial instruments used in hedging transactions by life insurance companies, is rewritten to allow certain financial instruments between an insurer and a qualified corporation or a "conduit" to be eligible for inclusion in the legal reserve of the insurer, to specify that the allowable limit of certain common stocks or shares in which a life insurance company or association may invest is not more than one-half of 1 percent of the life insurance company's or association's legal reserve, to include financial instruments used in hedging transactions that are secured by foreign governments or corporate obligations in the limitation that only 20 percent of the legal reserve of an insurer can be invested in such foreign investments unless such financial instruments are secured as specified, and by defining "cash equivalents" and specifying the permissible use of such investments as part of life insurance company or association assets.

Code Section 512B.25 is amended to allow an administrative penalty of \$500 for a fraternal benefit society that fails to timely file its annual application for renewal of the society's license.

Code Section 513C.9 is amended to remove a requirement that a carrier or organized delivery system issuing individual health benefit plans in the state make a basic or standard health benefit plan available to residents of the state who are denied other individual health benefit coverage due to the health status or claims experience of the individual or the individual's dependents.

New Code Section 514.9A allows for the assessment of an administrative penalty of \$500 against a nonprofit health service corporation issuing individual health care benefits that fails to timely file an annual application for renewal of its certificate of authority with the commissioner.

New Code Section 514.3B allows assessment of an administrative penalty of \$500 against a health maintenance organization that fails to timely file an annual application for renewal of its certificate of authority with the commissioner.

Code Section 514B.12 is amended to allow assessment of an administrative penalty of \$500 against a health maintenance organization that fails to timely file its annual report with the commissioner and an additional administrative penalty of \$100 for each day that the failure continues after the organization has received notice of the failure from the commissioner.

Code Section 514B.22 is amended to require a foreign or domestic health maintenance organization doing business in this state to pay the same fees to the commissioner as required for domestic and foreign companies under Code Section 511.24 relating to filing and issuing instruments.

Code Section 514B.33 is amended to require limited service organizations doing business in this state to timely file an application for renewal of their authority and an annual report and to allow administrative penalties for failure to do so in the same manner as a health maintenance organization.

Code Section 514C.1 is amended to provide that any accident and sickness policy which extends to newly born children who are enrolled also applies to adopted children who are similarly enrolled by qualifying insured people.

Code Section 514C.3 is amended to specify that a "policy of accident and sickness insurance" for purposes of paying for a dentist's services includes an individual policy or contract issued pursuant to Code Chapter 514 (governing nonprofit health service corporations), 514A (governing accident and sickness insurance policies), or 514B (governing health maintenance organizations).

Code Section 514E.7 is amended to provide that the Iowa Comprehensive Health Insurance Association is not required to offer coverage to an individual who is covered by a federal program or continued group coverage. The Act allows certain persons to remain eligible for coverage in the event of a failure to make election coverage or when a voluntary termination of such coverage occurred.

Code Section 514J.7 provides that an uncompleted external review (appeal) of a denial of health care coverage will continue even if the enrollee dies or changes to another health care plan before the review is completed.

Code Section 515.24 is amended to require that premium taxes for insurance companies other than life insurance companies be computed on gross written premiums, except that premium taxes on windstorm and hail risk reinsurance are computed on gross premiums charged equal to the premium tax charged to insurance companies according to the applicable percent under Code Section 432.1, instead of a 2 percent tax on gross premiums charged.

Code Section 515.42 is amended to allow assessment of an administrative penalty of \$500 against an insurance company other than life that fails to timely file the annual application for renewal of its certificate of authority with the commissioner.

New Code Section 515.147A allows for the assessment of an administrative penalty of \$500 and nonrenewal of the license of an excess and surplus lines insurance agent that fails to timely file the annual business activity report with the commissioner and allows for assessment of an additional administrative penalty of \$100 for each day that the failure continues after the agent receives notice of the failure from the commissioner.

Code Section 515A.9 is amended to provide that a request for administrative review of an issue involving workers' compensation liability insurance that concerns application of a rating organization's or insurer's rating system to a person, or an appeal from that review to the commissioner, is not a contested case under the Iowa Administrative Procedure Act (Code Chapter 17A).

New Code Section 515E.3A provides procedures and criteria for allowing a foreign risk retention group to become a domestic insurer in this state.

Code Section 515F.4 is amended to provide that in determining what is a reasonable profit for a casualty insurer, the commissioner may consider income from sources other than investment income that is attributable to unearned premium and loss reserves during the ratemaking process.

Code Section 515G.1 is amended to define "eligible policyholder" and "voting policyholder" for purposes of mutual insurance company conversions.

Code Sections 515G.2 and 515G.3 are amended to specify requirements for carrying out the conversion of a mutual insurance company into a stock domestic insurance company, including by providing for a conversion plan, and the exchange of value in the converted company.

MOTOR VEHICLE SERVICE CONTRACTS. The Act makes numerous changes to Code Chapter 516E concerning motor vehicle service contracts, including requiring such service contracts to be secured by either a reimbursement insurance policy or by the service company's compliance with new financial responsibility standards and providing that the sale of a service contract is not a sale of insurance.

COUNTY AND STATE MUTUAL INSURANCE ASSOCIATIONS. Code Section 518.15 is amended to allow for assessment of an administrative penalty of \$500 against a county mutual insurance association that fails to timely file an annual application for renewal of its certificate of authority or an annual condition statement with the commissioner and an additional administrative penalty of \$100 for each day that the failure continues after the association is notified of the failure by the commissioner.

Code Section 518A.18 is amended to allow assessment of an administrative penalty of \$500 against a state mutual association that fails to timely file an annual condition statement with the commissioner and an administrative penalty of \$100 for each day that the failure continues after the association receives notice of the failure from the commissioner.

Code Section 518A.35 is amended to require that premium taxes on windstorm and hail risk reinsurance issued by state mutual insurance associations be computed on the gross amount of reinsurance premiums written instead of received.

Code Section 518A.40 is amended to allow assessment of an administrative penalty of \$500 against a state mutual insurance association that fails to timely file an annual application for renewal of its certificate of authority with the commissioner.

Code Section 518C.17 is amended to provide that service of process in an action against the Iowa County and State Mutual Insurance Guaranty Association must be made on an officer of the association or the commissioner.

RECIPROCAL OR INTERINSURANCE INSURERS. Code Section 520.10 is amended to allow assessment of an administrative penalty of \$500 against a reciprocal or interinsurance insurer for failure to timely file an annual financial report with the commissioner and an additional penalty of \$100 for each day that the failure continues after the insurer receives notice of the failure from the commissioner.

Code Section 520.12 is amended to require that a reciprocal or interinsurance insurer obtain or annually renew a certificate of authority from the commissioner, and to allow assessment of an administrative penalty of \$500 against a reciprocal or interinsurance insurer for failure to timely file an annual application for renewal of the insurer's certificate of authority with the commissioner.

CONSOLIDATION, MERGER AND REINSURANCE. The Act makes numerous changes to Code Chapter 521 concerning proposals to consolidate, merge, or enter into reinsurance contracts by domestic insurance companies and makes the chapter applicable to the consolidation or merger of a domestic insurance company organized under Code Chapter 490 or 491 with a domestic or foreign mutual insurance company.

INSURANCE HOLDING COMPANY SYSTEMS. Code Section 521A.1 is amended to remove the exemption from regulation under Code Chapter 521A of a company licensed under Code Chapter 512B ("Fraternal Benefit Societies") or Code Chapter 514 ("Nonprofit Health Service Corporations").

Code Section 521A.2 is amended to allow an insurer to invest in financial instruments used in hedging transactions for its own account, that of its parent, a subsidiary of its parent, or any affiliate or subsidiary.

MISCELLANEOUS PROVISIONS. New Code Section 522B.16B establishes a procedure by which a person who is prohibited by federal law from engaging or participating in the business of insurance because of conviction of a crime under federal law or of a felony involving dishonesty or breach of trust may apply to the commissioner for written consent to engage or participate in insurance business in this state.

CEMETERY PROVISIONS. Code Section 523A.602 is amended to provide for cancellation and refund rights under a purchase agreement for cemetery merchandise, funeral merchandise, funeral services, or a combination of merchandise or services, when the purchase agreement is canceled or another establishment provides the merchandise or services before the purchase price is paid in full.

Code Section 523I.102 is amended by defining "veterans cemetery" as a cemetery owned or operated by the state or federal government.

Code Section 523I.103 is amended to exempt veterans cemeteries from the provisions of Code Chapter 523I.

Code Section 523I.309 is amended to establish a priority for the right to control interment, relocation or disinterment of the remains of a deceased person and a procedure to determine the right to control when there is a disagreement.

Code Section 523I.312 is amended to require that agreements associated with a nonperpetual care cemetery must include a statement directing them to the Insurance Division.

Code Section 523I.316 is amended to authorize a governmental subdivision to preserve and protect a cemetery or burial site in its jurisdiction that is not located in a dedicated cemetery by expending public funds and by delegating that responsibility to the owner of the property on which the cemetery or burial site is located or to a public or private organization interested in historical preservation, pursuant to a written agreement. Subject to Code Chapter 670, regulating tort liability of governmental subdivisions, the Act makes the governmental subdivision liable for any personal injury or property damage that occurs in connection with the preservation or protection of, or required access to, such a cemetery or burial site. The property owner on whose property such a cemetery or burial site is located, who acts in good faith, is not liable for any personal injury or property damage that occurs in connection with the preservation or protection of, or required access to, the cemetery or burial site.

New Code Section 523I.317 requires a cemetery to provide or permit access to the cemetery to members of the public and owners of interment rights at reasonable times and subject to reasonable regulations.

Code Section 523I.508(4) is amended to allow the expenses of county officials who attend meetings of cemetery officials as delegates to be paid out of the cemetery fund of the township in an amount not exceeding \$25 for each delegate, including association dues.

Code Section 616.15 is amended to require the Secretary of State to serve as the agent for service of process, for the purposes of 31 U.S.C. § 9306, of a surety company that writes and

issues a surety bond for the federal government in this state and cannot be otherwise served with process.

PROVISIONS ELIMINATED. The Act eliminates a number of Code sections, including Code Section 509B.4 (regulating conversion of group policies), Code Sections 521.9 through 521.12 (providing for the consideration and approval of a petition for consolidation or reinsurance by insurance companies by a commission), and Code Section 516E.17 (providing net worth requirements for service companies).

SENATE FILE 2374 - Business Entities — Miscellaneous Provisions

BY COMMITTEE ON JUDICIARY. This Act is divided into divisions corresponding to Code chapters governing different forms of business entities, including limited partnerships, business corporations, limited liability companies, traditional cooperative associations, closed cooperatives, and nonprofit corporations.

Division I — Limited Partnerships

Code Section 488.108 restricts how a limited partnership may name itself. The division provides that the name must be distinguished from names of other business entities in existence or which may be reinstated following dissolution, including a limited liability partnership (Code Chapter 486A), a limited partnership (Code Chapter 488), a business corporation (Code Chapter 490), a limited liability company (Code Chapter 490A), or a nonprofit corporation (Code Chapter 504).

Code Section 488.810 provides for a limited partnership's reinstatement after it has been administratively dissolved. The division eliminates a requirement that the limited partnership must apply within two years to the Secretary of State for reinstatement. It also provides that a limited partnership has five years to reclaim its name following the effective date of an administrative dissolution. The division also allows the Secretary of State to deliver (mail) a copy of the declaration of reinstatement to the limited partnership rather than utilize service of process procedures.

Division II — Business Corporations

Code Section 490.401 restricts how a business corporation may name itself. The division provides that the name must be distinguished from names of other business entities in existence or which may be reinstated following dissolution, in the same manner as provided in Division I.

Code Section 490.502 is amended to provide that only one registered agent is required to sign a statement verifying relevant information for service of process.

Code Section 490.1422 provides procedures for reinstatement by the Secretary of State. The division provides that the Secretary of State may deliver (mail) the business corporation a copy of the declaration of reinstatement rather than utilize service of process procedures. It also provides that a corporation does not relinquish the right to retain its corporate name if the reinstatement is effective within five years of the effective date of the corporation's dissolution in the same manner as provided in Division I. The division eliminates the Secretary of State's authority to cancel a certificate of dissolution and prepare a certificate of reinstatement.

The division also amends Code Section 490.1701 by allowing the business corporation to list only one registered agent in any amended or restated articles of incorporation.

Division III — Limited Liability Companies

Code Section 490A.121 provides for the filing of documents with the Secretary of State. The division eliminates requirements that documents be endorsed and provides that the Secretary of State must acknowledge the date and time of filing. It eliminates a requirement that the Secretary of State return an unfiled document to the limited liability company within a specified time period.

Code Section 490A.124 lists filing fees for a number of documents filed with the Secretary of State, including an application fee for a registered name reserved per month and an application for the renewal of a registered name. The division provides that these items have no fees.

Code Section 490A.131 requires a limited liability company to deliver a biennial report to the Secretary of State. The division eliminates requirements relating to the mailing address of the limited liability company's registered office and agent. The division eliminates a provision which specifies when a biennial report must be delivered to the Secretary of State.

Code Section 490A.201 is amended to provide that a limited liability company may have as its purpose any lawful activity, not just a lawful business activity.

Code Section 490A.305 is amended to further describe the requirements for maintenance of separate and distinct records associated with a series of members, managers, or membership interests of a limited liability company.

Code Section 490A.401 restricts how a limited liability company may name itself. The division provides that the name must be distinguished from names of other business entities in existence or which may be reinstated following dissolution, in the same manner as provided for business entities described in Divisions I and II.

The division creates a number of new provisions relating to the dissolution of a limited liability company. New Code Section 490A.1308 provides for the revocation of a voluntary dissolution. Other provisions provide for administrative dissolution. New Code Section 490A.1311 provides grounds for an administrative dissolution. New Code Section 490A.1312 provides procedures for administrative dissolution. New Code Section 490A.1313 provides for reinstatement following administrative dissolution. New Code Section 490A.1314 provides for appeal from a denial of reinstatement. Code Section 490A.1402 is rewritten to provide a procedure for an application for a certificate of authority for a foreign limited liability company. It replaces provisions in a number of Code sections which refer to registration requirements (see amendments to Code Sections 490A.305, 490A.1401, 490A.1402, 490A.1404, 490A.1405, 490A.1406, and 490A.1410).

Division IV — Traditional Cooperatives

This division amends a provision in Code Section 499.78 which provides for the administrative dissolution of a traditional cooperative association and allows such cooperative association to apply for reinstatement within two years after the effective date of the dissolution. The division eliminates that deadline requirement in the same manner as for other business entities described in the previous divisions.

Division V — Closed Cooperatives

Code Section 501A.104 restricts how a closed cooperative may name itself. The division amends the Code section to provide that the name must be distinguishable from other cooperatives or cooperative associations organized under the Code chapter or other Code chapters, including the name of a closed cooperative which has been administratively dissolved in the same manner as amendments to provisions in Divisions I, II and III.

Code Section 501A.813 provides for the administrative dissolution of a closed cooperative and allows a closed cooperative to apply for reinstatement within two years after the effective date of the dissolution. The division eliminates that deadline requirement in the same manner as provided for in the preceding divisions of the Act. The division also provides that a closed cooperative does not relinquish the right to retain its name if it is reinstated within five years of the effective date of the closed cooperative's dissolution in the same manner as for other business entities described in Divisions I, II and III.

Division VI — Nonprofit Corporations

Code Sections 504.401 and 504.403 restrict how a nonprofit corporation may name itself. The division provides that the name must be distinguished from names of other business entities in existence or which may be reinstated following dissolution, in the same manner as the business entities described in Divisions I, II and III.

Code Section 504.702 is amended to provide that any nonprofit corporation, not just one organized for religious purposes, may alter the statutory demand requirements for holding a special meeting of the corporation in its corporate articles or bylaws.

Code Section 504.808 is amended to provide that any nonprofit corporation, not just a corporation organized for religious purposes, may alter the statutory requirements for removal of elected corporate directors in its corporate articles or bylaws.

Code Section 504.901 provides for a nonprofit corporate director's personal liability. The division amends the section to provide that a provision in the nonprofit corporation's articles of incorporation cannot affect the section's applicability.

Code Section 504.1001 is amended to make the language consistent with Code Section 490.1001, governing business corporations, by providing that a nonprofit corporation has the authority to amend its articles of incorporation by adding or changing a provision that is required or permitted in its articles of incorporation as of the effective date of the amendment, or to delete a provision not required in the articles of incorporation.

Code Section 504.1002 is amended to make the language consistent with Code Section 490.1005, governing business corporations, providing for amendments of articles of incorporation by corporate directors.

Code Section 504.1005 is amended to make the language consistent with Code Section 490.1006, governing business corporations, by providing that after the articles of amendment of a nonprofit corporation are adopted and approved as required by the Code chapter and by the nonprofit corporation's articles of incorporation or bylaws, they must be delivered to the Secretary of State for filing.

Code Section 504.1005 is amended to make the language consistent with Code Section 490.1006, governing business corporations, by requiring that the articles of amendment of a nonprofit corporation include a statement that member approval was not required and that the amendment was approved by the incorporators or directors, or a statement that member approval was required and that the amendment was approved as required by the Code chapter and by the corporate articles or bylaws.

Code Section 504.1006 is amended to make the language consistent with Code Section 490.1007, governing business corporations, by providing that a nonprofit corporation's board of directors may consolidate all amendments into a single restated article of incorporation, any new amendments included in the restated articles that require approval must meet the requirements for amendments contained in Code Section 504.1003, and restated articles of incorporation must be delivered to the Secretary of State for filing, accompanied by a

certificate stating that the restated articles consolidate all amendments into a single document and, if new amendments are included, the statement required under Code Section 504.1005, as amended by the Act.

Code Section 504.1007 is amended to make the language consistent with Code Section 490.1008, governing business corporations, by providing that a nonprofit corporation's articles of incorporation may be amended without board or member approval or approval by a third person under Code Section 504.1031 to carry out a plan of reorganization ordered by a court of competent jurisdiction under the authority of U.S. law.

Code Section 504.1008 is amended to make the language consistent with Code Section 490.1009, governing business corporations, by providing for a technical correction.

Code Section 504.1423 provides for a nonprofit corporation's reinstatement after it has been administratively dissolved. The division eliminates a requirement that the nonprofit corporation must apply within two years to the Secretary of State for reinstatement and provides that the nonprofit corporation has five years to reclaim its name following the effective date of the administrative dissolution in the same manner as provided in Divisions I, II, III, and IV.

New Code Section 504.1607 provides that notice to a member of a nonprofit corporation is no longer required if notice of two consecutive annual meetings and all notices of meetings between the two consecutive annual meetings have been sent to the member at the address of record and returned as undeliverable. The member is entitled to receive notice again if the member delivers written notice of the member's current address to the nonprofit corporation.

[HOUSE FILE 2507](#) - **Labor or Wage Claims in Receivership or Seizure Actions — Priority**
BY COMMITTEE ON COMMERCE, REGULATION AND LABOR. This Act extends the preference given to labor claims when property is seized or placed under receivership to wage claims for work or services provided.

Currently, the Code places a priority on labor claims for labor performed within 90 days preceding the seizure or transfer of the property to an amount not exceeding \$100 per person. In addition to extending the preference to wage claims, the Act extends the time period for labor or work performed or services rendered to within six months preceding the seizure or transfer of the property, and eliminates the \$100 maximum per person. The Act makes conforming changes to Code Chapter 680 regarding receivers.

[HOUSE FILE 2587](#) - **Regulation of Financial Institutions**
BY COMMITTEE ON COMMERCE, REGULATION AND LABOR. This Act relates to the regulation of certain financial institutions.

The Act provides that the collateral a bank must pledge to the Treasurer of State may include certain investment securities and shares registered under the federal Investment Company Act of 1940, 15 U.S.C. § 80a.

The Superintendent of Banking may provide the financial crimes enforcement network of the federal Department of the Treasury and the U.S. Internal Revenue Service with a copy of any examination report of a state bank or affiliate of a state bank.

The Act changes the verification and attestation requirements for reports to the Superintendent of Banking by requiring two officers to verify and at least two directors to attest to the report rather than allowing an alternative verification by one officer and attestation by at least three directors.

The Act repeals the requirement that a state bank publish the bank's statement of condition in a local newspaper and reduces the number of times a state bank must publish a notice of a proposed change of location of its principal place of business in a local newspaper.

The Superintendent of Banking may remove a director, officer or employee of a bank holding company for engaging in unsafe or unsound practices in conducting the business of the bank holding company and prohibit the director from serving in any capacity for another entity regulated by the superintendent.

The Act prohibits a bank from operating a loan production office or deposit production office unless the office was in operation prior to July 1, 2006, or unless the bank has received approval from the Superintendent of Banking.

The Act makes the criminal provisions of Code Chapter 524 applicable to a director, officer or employee of a bank holding company.

The Act increases the penalty the Superintendent of Banking may impose on a state bank from \$100 per day to \$1,000 per day and repeals the provision restricting the ability of a bank holding company to purchase stock of a state or national bank.

The Superintendent of Banking is prohibited from issuing a license to operate as an industrial loan company to any applicant who engages in commercial activities directly or through an affiliate. An industrial loan company is prohibited from engaging in commercial activities and prohibited from operating within any premises in which commercial activities are conducted. The Act also places restrictions on when an industrial loan company may be acquired by certain out-of-state banks, bank holding companies, or industrial loan companies.

CHILDREN AND YOUTH

- [SENATE FILE 2249](#) - Foster Care Provider Rights and Responsibilities
- [SENATE FILE 2251](#) - Healthy Children Task Force
- [SENATE FILE 2343](#) - Child Advocacy Board Membership
- [HOUSE FILE 711](#) - Appointment of Chief Juvenile Court Officers
- [HOUSE FILE 2564](#) - Child Abuse and Unregistered Child Care Homes — Notice to Parents, Guardians, or Custodians
- [HOUSE FILE 2565](#) - Electronic State Child Care Assistance Program Payments
- [HOUSE FILE 2567](#) - Multidimensional Treatment Level Foster Care Program
- [HOUSE FILE 2644](#) - Human Services Programs and Regulation — Miscellaneous Changes
- [HOUSE FILE 2651](#) - Juvenile Court Records and Restitution Orders
- [HOUSE FILE 2769](#) - Community Empowerment Initiative

RELATED LEGISLATION

- [SENATE FILE 2124](#) - Obesity Prevention Grant Program
SEE HEALTH & SAFETY. This Act establishes a Nutrition and Physical Activity Community Obesity Prevention Grant Program.
- [SENATE FILE 2217](#) - Health and Human Services Programs and Procedures
SEE HUMAN SERVICES. This Act relates to health and human services programs and procedures involving compliance with privacy laws applicable to mental health, mental retardation, developmental disabilities, and brain injury services data, Medical Assistance (Medicaid) Program eligibility, creation of an Electronic Health Records System Task Force, foster parent training requirements, young adults transition from foster care, support for young persons with a developmental disability or other special need and for the persons' families, and involuntary hospitalization proceedings.
- [SENATE FILE 2252](#) - Adoption Petitions and Petitioners
SEE CIVIL LAW, PROCEDURE & COURT ADMINISTRATION. This Act relates to adoption petitions and proceedings including information to be stated in the adoption petition and investigations and reports relating to adoption petitions.
- [SENATE FILE 2253](#) - Substantive Code Corrections
SEE STATE GOVERNMENT. This Act conforms the amounts specified for payment of war orphans education aid, clarifies language relating to a workforce and career education program, updates rulemaking language relating to special education reimbursement, updates a citation to federal vocational education enabling legislation, corrects internal references in provisions relating to paternity determinations and orders for child and educational support, and repeals obsolete language providing for a parental involvement plan report.
- [SENATE FILE 2290](#) - Legal Expenses Under Adoption Subsidy Program
SEE CIVIL LAW, PROCEDURE & COURT ADMINISTRATION. This Act relates to the limitations on attorney fees and related legal expenses under the adoption subsidy program.

- [SENATE FILE 2304](#) - Indigent Defense and Juvenile Court Actions — Costs and Funding
SEE CRIMINAL LAW, PROCEDURE & CORRECTIONS. This Act relates to indigent defense claims and the reimbursement of costs in juvenile cases paid by a county.
- [SENATE FILE 2342](#) - District Associate Judges and Magistrates — Number and Appointment
SEE CIVIL LAW, PROCEDURE & COURT ADMINISTRATION. This Act provides for the appointment of a district associate judge in lieu of a full-time associate juvenile judge by order of substitution from the chief judge of the judicial district.
- [HOUSE FILE 2238](#) - Federal Block Grant Appropriations
SEE APPROPRIATIONS. This Act appropriates federal block grant and other nonstate moneys to state agencies for the federal fiscal year beginning October 1, 2006, and ending September 30, 2007. The Act includes funding for various programs involving children and families, including Child Care and Development, Maternal and Child Health Services, Community Services, and Social Services Block Grants. A directive is included that if additional Child Care Block Grant funding is received, the additional amount is to be used for purposes identified by the Department of Human Services. In addition, to the extent the funding amount is sufficient, the department is to set reimbursement rates based on the most recently completed rate reimbursement survey. Otherwise, H.F. 2734 (see Appropriations) requires the department to utilize the survey completed in December 2002.
- [HOUSE FILE 2332](#) - Child Support
SEE HUMAN SERVICES. This Act relates to child support. The Act provides for sharing of the data provided to the Department of Human Services under the Health Insurance Data Match Program with the Child Support Recovery Unit; provides that Code Chapter 556, "Disposition of Unclaimed Property," does not apply to payment received by the Collections Services Center; includes several provisions relating to income withholding orders and notice of income withholding orders; provides a new penalty for a second or subsequent offense relating to a payor who fails to withhold income or to pay the amounts withheld to the Collections Services Center or the clerk of court; includes in the substantial change in circumstances criteria for modification of a child, spousal, or medical support order, the entry of a permanency order in juvenile court pursuant to Code Chapter 232 placing custody or physical care of the child with a party who is obligated to pay support for a child; and provides that a person commits nonsupport of the person's child or ward under the age of 18 if the person fails or refuses to provide support for a period longer than one year or in an amount greater than \$5,000.
- [HOUSE FILE 2463](#) - Adoption — Termination of Prior Child Support and Custody Proceedings
SEE CIVIL LAW, PROCEDURE & COURT ADMINISTRATION. This Act provides requirements for certain actions under the "Paternity and Obligation for Support" chapter, Code Chapter 600B, that are initiated in a court other than the court which issued the original order for paternity, child support, or child custody.

- [HOUSE FILE 2509](#) - Family Investment Program — Financial Education Component
SEE HUMAN SERVICES. This Act requires financial education to be made available for applicants for and participants in the Family Investment Program.
- [HOUSE FILE 2525](#) - Transportation — Administration and Miscellaneous Regulations
SEE TRANSPORTATION. This Act revises the standard for a clean driving record under the graduated driver licensing program and broadens the scope of remedial driver improvement and sanction provisions for persons under 18 years of age.
- [HOUSE FILE 2672](#) - Termination of Parental Rights Proceedings — Attorney Fees
SEE CIVIL LAW, PROCEDURE & COURT ADMINISTRATION. This Act relates to responsibility for payment of attorney fees in termination of parental rights proceedings and provides an exemption if the person filing the petition for termination of parental rights is a child-placing agency. The Act takes effect April 20, 2006, and is retroactively applicable to March 12, 2004.
- [HOUSE FILE 2734](#) - Appropriations — Health and Human Services
SEE APPROPRIATIONS. This Act relates to and makes appropriations for health and human services for FY 2006-2007 to the departments of Veterans Affairs, Elder Affairs, Public Health, Human Rights, and Human Services, and the Iowa Veterans Home, and includes numerous provisions involving children, including child support, child care, child protection, child welfare, and community empowerment funding.
- [HOUSE FILE 2743](#) - Healthy Iowans Tobacco Trust and Tobacco Settlement Trust — Appropriations
SEE APPROPRIATIONS. This Act relates to and makes appropriations from the Healthy Iowans Tobacco Trust for FY 2006-2007. The appropriations to the Department of Human Services include funding to supplement the medical assistance appropriation, for child and family services and adoption subsidy services, for supplementation of the appropriation for the children's health insurance program, and for general administration of health-related programs. The appropriations to the Department of Public Health include funding for the Comprehensive Tobacco Use Prevention and Control Initiative, for smoking cessation and smoking-related disease products, for additional substance abuse treatment under the Substance Abuse Treatment Program, for substance abuse prevention programming grants for children, for development of a Healthy Iowans 2010 Plan, for the Center for Congenital and Inherited Disorders, for grants to individual patients who have phenylketonuria, and to leverage federal funding through the Ryan White Care Act. The Act appropriates funding to the Iowa Empowerment Fund for deposit in the School Ready Children Grants Account, to the Department of Economic Development for allocation to the Iowa Commission on Volunteer Services for the Iowa's Promise and Mentoring Partnership Program, and to the Department of Education to establish a competitive grants program to expand the availability of before and after school programs.

[HOUSE FILE 2797](#) - State and Local Government Financial and Regulatory Matters — Appropriations and Miscellaneous Changes
SEE APPROPRIATIONS. This Act relates to state and local finances by providing for funding of property tax credits and reimbursements, by making, increasing, reducing, and transferring appropriations, providing for salaries and compensation of state employees, providing for fees and penalties, providing tax exemptions, and providing for properly related matters. The Act includes a number of provisions affecting children and youth.

CHILDREN AND YOUTH

[SENATE FILE 2249](#) - **Foster Care Provider Rights and Responsibilities**
BY COMMITTEE ON HUMAN RESOURCES. This Act relates to the rights and responsibilities of a person providing family foster care. The Act includes a short title so it will be known and may be cited as the "Foster Parents Bill of Rights."

The requirements are revised for the rules adopted by the Department of Human Services in regard to agreements outlining a family foster care provider's rights and responsibilities. The requirements are to include receiving information prior to the child's placement regarding risk factors concerning the child that are known to the department, having regularly scheduled meetings with each case manager assigned to the child, and receiving access to any reports prepared by a service provider who is working with the child unless the access is prohibited by state or federal law.

[SENATE FILE 2251](#) - **Healthy Children Task Force**
BY COMMITTEE ON EDUCATION. This Act directs the departments of Education and Public Health to convene a 55-member Healthy Children Task Force to assess current policies and statutes affecting the health of children and recommend policy and statutory changes to enhance the health and well-being of children. The task force must submit its findings and recommendations to the Governor and the General Assembly not later than January 1, 2007. The departments must provide staffing and administrative support to the task force. House File 2797 (see Appropriations) amends this Act to increase the number of task force members to 57.

The Act takes effect April 26, 2006.

[SENATE FILE 2343](#) - **Child Advocacy Board Membership**
BY COMMITTEE ON HUMAN RESOURCES. This Act revises the membership requirements for the Child Advocacy Board by requiring that one of the board's nine members must also be an active member of a local citizen foster care review board.

[HOUSE FILE 711](#) - **Appointment of Chief Juvenile Court Officers**
BY COMMITTEE ON JUDICIARY. This Act permits the chief judge of a judicial district to appoint or remove the chief juvenile court officer for cause after consultation with the judges of the judicial district. Current law provides that district judges of a judicial district, by majority vote, appoint or remove the chief juvenile court officer for cause.

[HOUSE FILE 2564](#) - **Child Abuse and Unregistered Child Care Homes — Notice to Parents, Guardians, or Custodians**
BY COMMITTEE ON HUMAN RESOURCES. This Act requires the Department of Human Services to provide notification to parents, guardians and custodians of children receiving child care from an unregistered child care home when it is determined that founded child abuse involving

the child care home provider or resident of the child care home has occurred. An unregistered child care home is limited to providing child care to not more than five children at any one time. Under current law, the notification is not required for an unregistered child care home unless the child care home received public funding for providing child care. The notification is required under current law for child care providers licensed or registered by the department.

HOUSE FILE 2565 - Electronic State Child Care Assistance Program Payments

BY COMMITTEE ON HUMAN RESOURCES. This Act requires the Department of Human Services to implement a system for making payments by electronic funds transfer or other electronic means. The system is required to be implemented by July 1, 2007.

HOUSE FILE 2567 - Multidimensional Treatment Level Foster Care Program

BY COMMITTEE ON HUMAN RESOURCES. This Act directs the Department of Human Services (DHS) to create a Multidimensional Treatment Level Foster Care Program Pilot Project for a two-year period with implementation beginning as close to July 1, 2006, as possible. An allocation of \$100,000 is provided for the pilot project in the appropriation to DHS in H.F. 2734 (see Appropriations).

The purpose of the program is to serve children to be discharged from a psychiatric medical institution for children (PMIC) who are either unable to return to the family home and have treatment issues which cause the children to be at high risk of failing in a foster care placement or who are children with multiple previous out-of-home placements. DHS is to select two PMICs to implement the pilot project.

The Act addresses requirements for eligibility determination, services included, reimbursement of family foster care providers participating in the program, and for an independent evaluation of the pilot project.

HOUSE FILE 2644 - Human Services Programs and Regulation — Miscellaneous Changes

BY COMMITTEE ON HUMAN RESOURCES. This Act relates to the Department of Human Services' technical requirements involving individual development accounts, Family Investment Program (FIP) limited benefit plans, paternity establishment definitions, and the State Child Care Assistance Program.

Division I — Individual Development Accounts

Division I revises provisions of the Individual Development Account Program under Code Chapter 541A. Income on moneys in these accounts is exempt from state tax, and an account holder is eligible for a state income tax refund for savings credited to an account.

The Code requirements for the initial pilot phase of the program are repealed.

Existing law in Code Section 541A.3 requires the state savings refund to be paid to the account of the account holder. The Act provides for the savings refund to be paid to the account holder or an operating organization for distribution to account holders rather than to the account of the account holder.

This division takes effect March 29, 2006, and is retroactively applicable to January 1, 2006.

Division II — Family Investment Program — Limited Benefit Plan

Division II makes changes to statutory provisions involving FIP in Code Chapter 239B. An exemption is eliminated that prohibits application of a limited benefit plan to a participant who is exempt from participation in the Job Opportunity and Basic Skills (JOBS) Program under FIP. A provision is eliminated that provides that if a family has been subject to a limited benefit plan

and the family reapplies for the program, the eligibility requirements for the family are the same as for a new applicant. A provision is revised so that if a minor parent is living with a specified relative who chooses a limited benefit plan, the limited benefit plan is applied only to the specified relative rather than to the entire family.

Division III — Paternity Establishment

Division III provides a new definition of the term "child" in Code Chapter 252F, relating to paternity establishment. The new definition provides that a "child" is a person who is either less than age 18 or is age 18 but less than age 19 and is engaged in completing high school graduation or equivalency requirements in a manner which is reasonably expected to result in completion of the requirements prior to the person reaching age 19. The term is used, among other things, in establishing a support debt for the person determined to be the child's father.

Division IV — State Child Care Assistance Program

Division IV revises the waiting list requirements for the State Child Care Assistance Program. In a 2005 enactment, the upper income eligibility requirements for the program were increased for families, whose members are employed at least 28 hours per week with an income of more than 100 percent of the federal poverty level, from 140 percent to 145 percent of the federal poverty level, and for families, whose members are employed at least 28 hours per week with a special needs child as a member of the family, from 175 percent to 200 percent of the federal poverty level. Code Section 237A.13 is amended to codify these changes in the waiting list requirements for the program.

[HOUSE FILE 2651](#) - **Juvenile Court Records and Restitution Orders**

BY COMMITTEE ON JUDICIARY. This Act relates to juvenile court records and restitution orders.

The Act permits official juvenile court records relating to a delinquency to become confidential records prior to the records being sealed if the following apply: the case has been dismissed and the person is no longer subject to the jurisdiction of the juvenile court, and making the records confidential is in the best interests of the child and the public.

Official juvenile court records made confidential under the Act may only be inspected and their contents disclosed without court order to the following: the child and the child's counsel; the child's parent, guardian ad litem, or court appointed special advocate; the county attorney; an agency, association, facility, or institution which has custody of the child; the court and the court's professional staff and probation officers; the child's foster parent; and a local law enforcement agency. House File 2797 (see Appropriations), Section 77, amends the Act to permit the State Public Defender to also have access to confidential records without court order.

The Act permits confidential juvenile court records to be sealed at a later date if Code Section 232.150 is applicable.

The Act also prohibits the viewing of official juvenile court records related to a delinquency through the Internet or in an electronic customized data report unless the child has been adjudicated delinquent. House File 2797, Section 76, amends the Act to permit the following to view official juvenile court records through the Internet or in an electronic customized data report prior to adjudication: the court and the court's professional staff or adult probation officers for use in preparation of a presentence investigation report, the child's counsel or guardian ad litem, the county attorney, a state or local law enforcement agency, the State Public Defender, and the Division of Criminal and Juvenile Justice Planning of the Department of Human Rights.

A juvenile court restitution order in a delinquency proceeding constitutes a judgment and lien against all the property of the juvenile if the juvenile is discharged from the jurisdiction of the juvenile court after attaining the age of majority and the restitution order remains unpaid.

If juvenile delinquency records are sealed under Code Section 232.150, the name of the court, the title of the action, and the court's file number remain unsealed, and the restitution order remains a judgment and lien against any property of the juvenile after the juvenile has attained the age of 18.

[HOUSE FILE 2769](#) - Community Empowerment Initiative

BY COMMITTEE ON APPROPRIATIONS. This Act relates to the Community Empowerment Initiative and makes appropriations for the initiative for fiscal years 2006-2007, 2007-2008, and 2008-2009.

References to the term "innovation zone" are deleted from the Code. Innovation zones were created on a pilot project basis in 1996 and transition language was included when the innovation zone approach was replaced with the passage of the empowerment initiative in 1998.

Code Section 28.3, relating to the Iowa Empowerment Board, is amended to expand the voting membership from 18 to 22 members. Agency director membership is expanded from five to six to include the Director of the Department of Workforce Development. The other three are added to the citizen members.

Terminology changes are made in Code Sections 28.4 and 28.8 from "performance indicators" to "indicators of effectiveness" and "home visitation and parent support" to "family support services and parent education programs."

Code Section 28.8 is also amended to codify a requirement that once a community empowerment area has committed the portion of School Ready Children Grant Program funding that is designated for a particular purpose, approximately 60 percent of the remainder is required to be committed to family support services and parent education programs targeted to families with newborn and infant children.

Code Section 28.9, relating to the Iowa Empowerment Fund and the accounts within that fund, is amended. Administrative expenditures from School Ready Children Grant funding by community empowerment areas are limited to 3 percent. A further maximum restriction of \$60,000 within that limit is deleted. A new Community Empowerment Gifts and Grants Account is created within the fund under the authority of the Department of Management (DOM). The account is to consist of gift or grant moneys from any source, including the federal government. The moneys in the account are appropriated to DOM to be used for the purposes for which the moneys were received.

An annual appropriation of \$5 million is provided for each of the three fiscal years addressed in the Act to be used for family support services and parent education programs targeted to families expecting a child or with newborn and infant children through age three.

A Business Community Investment Advisory Council is created to advise the Iowa Empowerment Board on the best means to leverage private investment in early care, health, and education services, provide options for creating public-private partnerships to support those services, develop strategies to achieve those ends, and perform related tasks. The membership of the advisory council is to include 12 voting members. The directors of the agencies represented on the board may serve in an ex officio capacity. The council is required to submit a final report to the board on or before December 31, 2006.

For FY 2006-2007, an appropriation of \$10 million is provided to be used for early care, health, and education programs. Of the appropriation, \$5.5 million is designated to assist low-income parents with tuition for preschool for children ages four and five, who are not attending kindergarten, in order to increase the basic income eligibility requirement for this assistance to not more than 200 percent of the federal poverty level. If the funding is sufficient to address the basic eligibility requirement of not more than 200 percent of the federal poverty level, a community empowerment area may provide eligibility for families with incomes in excess of the basic requirement: \$3.5 million of the appropriation is allocated for efforts to improve the quality of early care, health, and education programs and \$1 million of the appropriation is designated for the Gifts and Grants Account created in the Act to be used for implementation of the advisory council created in the Act.

An annual appropriation of \$15 million is provided for fiscal years 2007-2008 and 2008-2009 to the School Ready Grants Account for early care, health, and education programs, subject to the future enactment of law specifying how the annual appropriations are to be distributed. A statement of legislative intent provides that \$5 million will be used for expansion of the initiatives implemented pursuant to the recommendations of the advisory council created in the Act.

The appropriations made for purposes of early care professional development and training activities in H.F. 2527 (\$1 million) and H.F. 2734 (\$1.2 million), are to be used to support such activities as determined by the Iowa Empowerment Board. Previously the board was required to phase in the activities that were funded in community empowerment areas. Under the Act, the board is to collaborate with representatives of the cooperative extension services, area education agencies, community colleges, child care resource and referral services, and community empowerment area boards in allocating the funding.

CIVIL LAW, PROCEDURE AND COURT ADMINISTRATION

- [SENATE FILE 2207](#) - Publication of Official Notices
- [SENATE FILE 2252](#) - Adoption Petitions and Petitioners
- [SENATE FILE 2290](#) - Legal Expenses Under Adoption Subsidy Program
- [SENATE FILE 2301](#) - Debt Collection and Bankruptcy — Exempt Personal Property
- [SENATE FILE 2341](#) - Mental Health Care at State Psychiatric Hospital
- [SENATE FILE 2342](#) - District Associate Judges and Magistrates — Number and Appointment
- [SENATE FILE 2362](#) - Involuntary Hospitalization Proceedings
- [HOUSE FILE 2147](#) - Dependent Adult Abuse — Emergencies — Temporary Conservator
- [HOUSE FILE 2233](#) - Executions of Judgments and Wage Garnishment Orders — Time Limit
- [HOUSE FILE 2463](#) - Adoption — Prior Child Support and Custody Proceedings
- [HOUSE FILE 2522](#) - Filing Fee for Praecipe
- [HOUSE FILE 2590](#) - Confidential Public Records — Government Security Procedures or Emergency Preparedness Information
- [HOUSE FILE 2652](#) - Domestic Abuse and Other Dangerous Activities — Penalties and Protective or No-Contact Orders
- [HOUSE FILE 2672](#) - Termination of Parental Rights Proceedings — Attorney Fees
- [HOUSE FILE 2695](#) - Terminations of Tenancies — Notice
- [HOUSE FILE 2706](#) - Confidentiality of Charitable Donation Records
- [HOUSE FILE 2716](#) - Reports and Information Relating to Medical Condition and Treatment
- [HOUSE FILE 2740](#) - Court Administration and Procedure
- [HOUSE FILE 2742](#) - Probate and Trust Codes — Miscellaneous Provisions
- [HOUSE FILE 2775](#) - Motor Vehicle Citations, Hospital Lien Docket, and Clerk of Court Duties
- [HOUSE FILE 2786](#) - Civil Actions and Foreclosures Against Real Estate

RELATED LEGISLATION

- [SENATE FILE 2217](#) - Health and Human Services Programs and Procedures
SEE HUMAN SERVICES. This Act relates to health and human services programs and procedures involving compliance with privacy laws applicable to mental health, mental retardation, developmental disabilities, and brain injury services data, Medical Assistance (Medicaid) Program eligibility, creation of an Electronic Health Records System Task Force, foster parent training requirements, young adults transition from foster care, support for young persons with a developmental disability or other special need and the persons' families, and involuntary hospitalization proceedings.
- [SENATE FILE 2253](#) - Substantive Code Corrections
SEE STATE GOVERNMENT. This Act repeals language relating to an expired Court Information Access Fee Pilot Project; makes citation updates in state agency emergency adjudicatory authority, judicial oaths of office, and mental health patient advocate provisions; makes clarifications relating to judicial orders in paternity determinations and

on child support; conforms the calculation of the Enhanced Court Collections Fund allocation to the calculation for the judicial collection estimate; reinstates district associate judge jurisdiction in trust matters; transfers the Criminalistics Laboratory Fund from provisions relating to payment duties of the clerk of the district court to another location; makes a clarification relating to mediators' conflicts of interest; and reinstates costs under the Trust Code as part of indigent defense costs exclusions.

[SENATE FILE 2264](#)

- County Books and Records — Miscellaneous Changes
SEE LOCAL GOVERNMENT. This Act makes changes relating to the duties of county recorders and county auditors concerning instruments affecting real estate and other filings required to be recorded by the county recorder.

[SENATE FILE 2292](#)

- Farm Tenancies
SEE AGRICULTURE. This Act amends Code Chapter 562 by defining a "farm tenancy" to mean a leasehold interest in land held by a person who produces crops or provides for the care and feeding of livestock on the land, including by grazing or supplying feed to the livestock. The Act eliminates the term "occupying and cultivating." "Livestock" is defined by reference to a commonly used definition in Code Section 717.1, which includes an animal belonging to the bovine, caprine, equine, ovine, or porcine species, ostriches, rheas, emus, farm deer, or poultry.

[SENATE FILE 2304](#)

- Indigent Defense and Juvenile Court Actions — Costs and Funding
SEE CRIMINAL LAW, PROCEDURE & CORRECTIONS. This Act relates to indigent defense claims and the reimbursement of costs in juvenile cases paid by a county.

[SENATE FILE 2364](#)

- Insurance and Other Entities or Services Regulated by the Commissioner of Insurance
SEE BUSINESS, BANKING & INSURANCE. This Act relates to various matters under the purview of the Insurance Division of the Department of Commerce. The Act provides that a party to a proceeding that causes service of process to be served on the Commissioner of Insurance as allowed by law is entitled to recover the fee paid as costs if the party prevails in the proceeding. The Act requires the Secretary of State to serve as the agent for service of process, for the purposes of 31 U.S.C. § 9306, of a surety company that writes and issues a surety bond for the federal government in this state. The Act provides that when a governmental subdivision delegates its responsibility to preserve and protect a cemetery or burial site that is not located in a dedicated cemetery to a public or private organization, pursuant to a written agreement, the governmental subdivision is liable for any personal injury or property damage that occurs in connection with the preservation or protection of, or required access to, such a cemetery or burial site. The property owner on whose property such a cemetery or burial site is located, who acts in good faith, is not liable for any personal injury or property damage that occurs in connection with the preservation or protection of, or required access to, the cemetery or burial site.

- [HOUSE FILE 2177](#) - Real Property — Approval of Subdivision Plat Name or Title
SEE LOCAL GOVERNMENT. This Act requires the county auditor to evidence the approval of the name or title of a subdivision plat in a statement that must accompany the subdivision plat for filing with the county recorder.
- [HOUSE FILE 2332](#) - Child Support
SEE HUMAN SERVICES. This Act relates to child support. The Act provides for sharing of the data provided to the Department of Human Services under the Health Insurance Data Match Program with the Child Support Recovery Unit; provides that Code Chapter 556, "Disposition of Unclaimed Property," does not apply to payment received by the Collections Services Center; includes several provisions relating to income withholding orders and notice of income withholding orders; provides a new penalty for a second or subsequent offense relating to a payor who fails to withhold income or to pay the amounts withheld to the Collections Services Center or the clerk of court; includes in the substantial change in circumstances criteria for modification of a child, spousal, or medical support order, the entry of a permanency order in juvenile court pursuant to Code Chapter 232 placing custody or physical care of the child with a party who is obligated to pay support for a child; and provides that a person commits nonsupport of the person's child or ward under the age of 18 if the person fails or refuses to provide support for a period longer than one year or in an amount greater than \$5,000.
- [HOUSE FILE 2351](#) - Eminent Domain — VETOED BY THE GOVERNOR — VETO OVERRIDDEN
SEE LOCAL GOVERNMENT. This Act makes changes to the law relating to eminent domain authority and the procedure by which eminent domain authority is exercised (condemnation).
- [HOUSE FILE 2507](#) - Labor or Wage Claims in Receivership or Seizure Actions — Priority
SEE BUSINESS, BANKING & INSURANCE. This Act extends the preference given to labor claims when property is seized or placed under receivership to wage claims for work or services provided.
- [HOUSE FILE 2557](#) - Appropriations — Judicial Branch
SEE APPROPRIATIONS. This Act makes appropriations for FY 2006-2007 to the judicial branch. The Act requires the State Court Administrator to approve any new appointment of a clerk of the district court. The Act also permits the Supreme Court to prescribe by rule whether and to what extent the courts will use electronic records and signatures.
- [HOUSE FILE 2558](#) - Appropriations — Justice System
SEE APPROPRIATIONS. This Act strikes a provision requiring the Department of Corrections to notify the clerk of the district court of the amount of jail time served and credited to a person committed to the custody of the department.
- [HOUSE FILE 2632](#) - Regulation of Real Estate Brokers, Salespersons, and Transfers
SEE STATE GOVERNMENT. This Act relates to real estate, including the licensure of brokers and salespersons, injunctive relief, and disclosures. The Act requires that a court grant an injunction if it appears to the court that a violation of the real estate licensing laws has occurred or is imminently threatened. The plaintiff is not required to show that the

violation or threatened violation would greatly or irreparably injure the plaintiff and the plaintiff is not required to post a bond unless specifically required by the court. The Act exempts transfers of property by a power of attorney from requirements relating to mandatory disclosures relating to the condition of real property.

[HOUSE FILE 2651](#)

- Juvenile Court Records and Restitution Orders
SEE CHILDREN & YOUTH. This Act permits delinquency records to become confidential records prior to the records being sealed. The Act also prohibits the viewing of delinquency records by most persons or agencies that have a connection with the case through the Internet or an electronic database prior to adjudication.

[HOUSE FILE 2734](#)

- Appropriations — Health and Human Services
SEE APPROPRIATIONS. This Act relates to and makes appropriations for health and human services for FY 2006-2007 to the state Department of Veterans Affairs, the Iowa Veterans Home, the Department of Elder Affairs, the Iowa Department of Public Health, the Department of Human Rights, and the Department of Human Services, and includes numerous provisions involving civil law, including child support, juvenile justice and child welfare, mental health funding, and many other items affecting children and family law.

[HOUSE FILE 2780](#)

- Mental Health and Disability Services
SEE HUMAN SERVICES. This Act relates to mental health, mental retardation, developmental disabilities, or brain injury (MH/MR/DD/BI) services and other support by addressing purposes and quality standards, establishing basic financial eligibility standards, addressing state and county financial responsibility for the costs of the services and other support, changing the name of the Department of Human Services division responsible for the services and other support, and providing an increase in the reimbursement of certain service providers. The Act further amends language enacted in S.F. 2217 (see Human Services) and amended by S.F. 2362 relating to the qualifications of a professional other than a licensed physician who examines a respondent in a substance abuse involuntary commitment proceeding under Code Chapter 125.

[HOUSE FILE 2789](#)

- Court Costs, Fines, and Indigent Defense — Amounts and Allocations
SEE CRIMINAL LAW, PROCEDURE & CORRECTIONS. This Act directs the State Court Administrator to allocate certain funds received by the judicial branch from fines and fees to the Office of the State Public Defender, the Department of Corrections, and the Office of Attorney General.

[HOUSE FILE 2792](#)

- Government Operations, Education Programs, Finance and Taxation, and Parental Rights
SEE EDUCATION. This Act relates to government operations and finance. Division IV of the Act adds new grounds for the termination of parental rights.

[HOUSE FILE 2797](#)

- State and Local Government Financial and Regulatory Matters — Appropriations and Miscellaneous Changes
SEE APPROPRIATIONS. This Act relates to state and local finances by providing for funding of property tax credits and reimbursements, by making, increasing, reducing, and transferring appropriations,

providing for salaries and compensation of state employees, providing for fees and penalties, providing tax exemptions, and providing for properly related matters. The Act includes a number of provisions affecting court procedures and administration matters.

CIVIL LAW, PROCEDURE AND COURT ADMINISTRATION

SENATE FILE 2207 - Publication of Official Notices

BY COMMITTEE ON STATE GOVERNMENT. This Act allows notices, proceedings, and all other matter, required by law or ordinance to be published in a newspaper, to be published in newspapers published primarily in English, thereby allowing newspapers to publish some articles or advertisements in a language other than English while publishing official matter in English.

SENATE FILE 2252 - Adoption Petitions and Petitioners

BY COMMITTEE ON JUDICIARY. This Act relates to adoption petitions and proceedings. The Act requires that in addition to other information required to be stated in an adoption petition, the petitioner is also to state any name by which the petitioner is known or has been known and the existence of any criminal conviction or deferred judgment for an offense other than a simple misdemeanor under a law of any state against the petitioner and the existence of any founded child abuse report in which the petitioner is named.

With regard to investigations and reports relating to adoption petitions involving a stepparent or relative, existing law provides that such investigations or reports do not apply or may be waived. Under the Act, however, if an adoption petitioner discloses a criminal conviction or deferred judgment for an offense other than a simple misdemeanor or founded child abuse report in the petition, the petitioner is to notify the court prior to the final adoption hearing and the court is to make a specific ruling as to whether any investigation or report may be waived.

SENATE FILE 2290 - Legal Expenses Under Adoption Subsidy Program

BY COMMITTEE ON JUDICIARY. This Act relates to the limitations on attorney fees and related legal expenses under the adoption subsidy program. The Act provides that in addition to the general limitation on attorney fees of \$500 per recipient, up to \$200 may be allowed for reasonable costs and other related legal expenses.

SENATE FILE 2301 - Debt Collection and Bankruptcy — Exempt Personal Property

BY COMMITTEE ON JUDICIARY. This Act relates to exemptions for certain personal property from execution by creditors in state court debt collection and federal bankruptcy actions.

Any exempt wedding or engagement rings owned or received by a debtor or a debtor's dependents after the date of marriage and within two years of the date the execution is issued or an exemption is claimed shall not exceed a value of \$7,000 in the aggregate minus up to \$2,000 for any other jewelry claimed by the debtor.

The debtor and the debtor's dependents' interest in wearing apparel and household goods, including but not limited to radios, television sets, record or tape playing machines, compact disc players, satellite dishes, cable television equipment, computers, software, printers, digital video disc players, video players, and cameras held primarily for personal, family and household use of the debtor and the debtor's dependents, shall not exceed \$7,000 in the aggregate. Current law separately limits the wearing apparel exemption to \$1,000 and the household goods exemption to \$2,000.

The Act allows a debtor to claim an exemption on a motor vehicle not to exceed a value of \$7,000 in the aggregate. Current law places no limitation on such an exemption.

The Act increases the amount of the debtor's interest in any cash on hand, bank deposits, credit union share drafts, other deposits, or other personal property from \$100 to \$1,000.

The Act creates a new exemption relating to a debtor's interest in payments reasonably necessary for the support of the debtor or the debtor's dependents to or for the benefit of the debtor or the debtor's dependents, including structured settlements, resulting from the wrongful death of a decedent upon which the debtor or the debtor's dependents were dependent.

SENATE FILE 2341 - Mental Health Care at State Psychiatric Hospital

BY COMMITTEE ON JUDICIARY. This Act revises procedures for admission to the State Psychiatric Hospital at the State University of Iowa, to require the county board of supervisors or the board's designee to conduct financial condition investigations of persons who are sent to the State Psychiatric Hospital for evaluation and treatment, instead of the court and the clerk of court. The county board of supervisors is also given the responsibility of directing that a voluntary public patient be sent to the State Psychiatric Hospital, instead of requiring a court order.

SENATE FILE 2342 - District Associate Judges and Magistrates — Number and Appointment

BY COMMITTEE ON JUDICIARY. This Act relates to the appointment of district associate judges and magistrates.

The Act increases the number of district associate judges eligible to be appointed in a county based upon the population of that county as provided in Code Section 602.6301.

The chief judge of the judicial election district may designate by order of substitution that three magistrates be appointed in lieu of the appointment of a vacant district associate judgeship. The appointment of the three magistrates is subject to the following limitations: the substitution shall not result in the judicial district receiving more magistrates than are authorized under the magistrate formula; the substitution is approved by the Iowa Supreme Court; and a majority of district judges in the judicial election district, or if the appointments involve more than one judicial election district, a majority of district judges in each election district, vote to approve the substitution of three magistrates for one district associate judgeship.

The Act requires that a copy of the order of substitution be received by the chairperson of the county magistrate appointing commission or commissions no later than May 31 of the year the order is to take effect. The Act also requires the substitution order to designate the county of appointment for each magistrate.

If a majority of district judges in a judicial election district determines that a substitution order is no longer desirable, then the substitution order shall terminate. After the substitution order terminates under the Act, and the terms of the magistrate positions expire, an appointment shall be made to reestablish the term of office for a district associate judge.

The chief judge of a judicial district may designate by order of substitution that a district associate judge be appointed in lieu of a full-time associate juvenile judge. The appointment of the district associate judge is subject to the following limitations: an existing full-time juvenile court judgeship has become vacant or will become vacant within 120 days of an order of substitution; and the Iowa Supreme Court approves the substitution upon a determination the

substitution will provide for a more timely and efficient performance of judicial business without diminishing the efficiency of the juvenile court.

If a district associate judge is appointed in lieu of a full-time associate juvenile judge, the judicial district shall make every effort to grant the juvenile court docket priority over other dockets.

If the chief judge determines the substitution order is no longer desirable, then the order shall be terminated and a full-time associate juvenile judge shall be appointed to the position upon the vacancy of the district associate judge position.

SENATE FILE 2362 - Involuntary Hospitalization Proceedings

BY COMMITTEE ON JUDICIARY. This Act relates to involuntary hospitalization proceedings for chronic substance abusers and persons with mental illness.

The Act provides that evidence in support of an application for commitment or treatment of a chronic substance abuser may be presented by the applicant, by an attorney for the applicant, or by the county attorney at an involuntary hospitalization hearing. Current law provides that the applicant or person who filed the application, an attorney for the applicant, or the county attorney as the applicant shall present such evidence.

The Act provides that a physician or professional who examined a suspected chronic substance abuser or person with mental illness must be present at an involuntary commitment or treatment hearing or an involuntary hospitalization hearing unless the court for good cause finds prior to either hearing the presence or testimony of the physician or professional is not necessary. In such cases, the applicant, the respondent, and the respondent's attorney may waive the presence or telephonic appearance of the physician or professional and agree to submit the physician's or professional's written report as evidence. If the court finds such testimony is necessary, the court may allow the physician or professional to testify by telephone.

The Act also makes a change to language relating to the conducting of physician examinations of persons with mental illness to conform to similar language that currently applies to chronic substance abusers.

Language relating to the qualifications of a professional other than a licensed physician who examines a respondent in a substance abuse involuntary commitment proceeding under Code Chapter 125 is amended in this Act, and further amended by S.F. 2217 (see Human Services) and H.F. 2780 (see Human Services). The other enactments used the definition of a mental health professional under Code Chapter 229. The enactment in H.F. 2780 uses the definition in Code Chapter 228, which requires at least a master's degree in a mental health field, a current Iowa license if practicing in a field covered by an Iowa licensure law, and at least two years of postdegree clinical experience, supervised by another mental health professional. In addition, the person performing the examination can be a certified alcohol and drug counselor certified by a specific nongovernmental certification organization.

HOUSE FILE 2147 - Dependent Adult Abuse — Emergencies — Temporary Conservator
BY HUSER, SWAIM, GASKILL, AND PETERSEN. This Act relates to the temporary appointment of a conservator for a dependent adult in an emergency situation.

Upon a finding that there is probable cause to believe that dependent adult abuse is producing irreparable harm to the physical or financial resources or property of the dependent adult, and that the dependent adult lacks capacity to consent to the receipt of services, the court may order the appointment of a temporary conservator without notice to the dependent adult if all of the following conditions are met:

1. It clearly appears from specific facts shown by affidavit or by the verified petition that immediate and irreparable injury, loss or damage will result to the physical or financial resources or property of the dependent adult before the dependent adult or the dependent adult's attorney can be heard in opposition.
2. The Department of Human Services (DHS) certifies to the court in writing any efforts DHS has made to give notice or the reasons supporting the claim that notice should not be required.
3. DHS files with the court a request for a hearing on the petition for the appointment.
4. DHS certifies that notice of the petition, order, and all filed reports and affidavits will be sent to the dependent adult by personal service within the time period the court directs but not more than 72 hours after entry of the order of appointment.

An order of appointment entered by the court shall expire as prescribed by the court but within 30 days unless extended for good cause. A hearing on the petition shall be held within the same time period unless the court, on the motion of any party or on its own motion, dismisses the petition.

[HOUSE FILE 2233](#) - Executions of Judgments and Wage Garnishment Orders — Time Limit

BY SMITH AND ANDERSON. This Act extends the current 70-day time limit on executions of garnishment orders to 120 days from the date the execution was issued. The officer executing the garnishment order shall provide, upon request, a receipt of the execution and shall return the execution with any money collected within the 120-day time period. The Act also makes a conforming amendment relating to an execution in garnishment for the payment of a support obligation and the deposit and disbursement of garnished funds.

[HOUSE FILE 2463](#) - Adoption — Prior Child Support and Custody Proceedings

BY COMMITTEE ON HUMAN RESOURCES. This Act provides requirements for certain actions under the "Paternity and Obligation for Support" chapter, Code Chapter 600B, that are initiated in a court other than the court which issued the original order for paternity, child support, or child custody.

In a proceeding for adoption involving the children of parents whose paternity, obligation for support, or custody determination was determined under Code Chapter 600B or for modification of a child support or custody order granted under Code Chapter 600B, the party initiating the proceedings is required to present to the court the names and addresses of the parties to the original proceeding, if known, as well as the name and place of the court which issued the original order and the date of the original order. Additionally, the court in which the proceedings are initiated is required to cause notice of the proceedings to be served upon the parties to the original order, unless the parties are deceased. The court in which the proceedings are initiated or any party to the proceedings may also request that a copy of the transcript of the proceedings of the court which issued the original order be made available for consideration in the subsequent proceedings.

[HOUSE FILE 2522](#) - Filing Fee for Praecipe

BY COMMITTEE ON JUDICIARY. This Act provides that the filing fee for a praecipe to issue execution is recoverable against the debtor. Any praecipe filing fee payable by a political subdivision of the state shall be collected by the clerk of the district court on a monthly basis as provided in Code Section 602.8109. A praecipe is a document filed with the clerk of the district court that relates to enforcing a judgment.

HOUSE FILE 2590 - Confidential Public Records — Government Security Procedures or Emergency Preparedness Information

BY COMMITTEE ON STATE GOVERNMENT. This Act establishes a confidentiality exception to the Open Records Law for information concerning security procedures or emergency preparedness information. Such information developed and maintained by a government body for the protection of employees, visitors, persons, or property in the care, custody, or under the control of the government body shall be confidential, if such disclosure could reasonably be expected to jeopardize such employees, visitors, persons, or property. Such information includes but is not limited to information directly related to vulnerability assessments, security measures, and information contained in records that if disclosed would significantly increase the vulnerability of critical physical systems or infrastructures of a government body to attack. The Act only applies to information held by a government body that has adopted a rule or policy identifying the specific records or class of records to which the Act applies and which is contained in such a record.

HOUSE FILE 2652 - Domestic Abuse and Other Dangerous Activities — Penalties and Protective or No-Contact Orders

BY COMMITTEE ON JUDICIARY. This Act relates to civil and criminal procedure, including the issuance of and violations of civil protective orders and criminal no-contact orders.

The Act consolidates certain provisions relating to civil protective orders and criminal no-contact orders into new Code Chapter 664A.

A protective order issued pursuant to Code Chapters 232 (juveniles), 236 (domestic abuse) and 598 (dissolution of marriage) shall continue to be issued in such cases; however, violations of such orders and consent agreements shall be enforced under the provisions of new Code Section 664A.7, which consolidates prior Code Sections 236.8 and 236.14 relating to violations of such protective orders.

The Act further consolidates prior Code Sections 708.2A, subsection 7, 708.12, 709.20, and 901.5, subsection 7A, relating to the issuance of and violations of both temporary and permanent no-contact orders in criminal cases in which a defendant has been arrested for the crimes of harassment in violation of Code Section 708.7; stalking in violation of Code Section 708.11; sexual abuse in the first degree, sexual abuse in the second degree, and sexual abuse in the third degree in violation of Code Sections 709.2, 709.3 and 709.4; and domestic abuse assault in violation of Code Section 708.2A.

The Act defines a "no-contact order" to mean a court order issued in a criminal proceeding which shall require the defendant to have no contact with the alleged victim, persons residing with the alleged victim, or members of the alleged victim's immediate family, and to refrain from harassing the alleged victim, persons residing with the alleged victim, or members of the alleged victim's family. The Act defines a "protective order" to mean a protective order issued pursuant to Code Chapter 232; a court order or court-approved consent agreement entered pursuant to Code Chapter 236, including a valid foreign protective order under Code Section 236.19, subsection 3; a temporary or permanent protective order or order to vacate the homestead under Code Chapter 598; and an order that establishes conditions of release or is a protective order or sentencing order in a criminal prosecution arising from a domestic abuse assault.

The Act provides that a conviction for, deferred judgment for, or plea of guilty to a violation of the crime of domestic abuse assault in violation of Code Section 708.2A which occurred more than 12 years prior to the date of the domestic abuse assault shall not be considered in determining that the violation charged is a second or subsequent offense. Current law does not allow consideration of such offenses which occurred more than six years prior to the date of the domestic abuse assault.

[HOUSE FILE 2672](#) - Termination of Parental Rights Proceedings — Attorney Fees

BY COMMITTEE ON HUMAN RESOURCES. This Act provides an exemption from responsibility for payment of attorney fees if the person filing the petition for termination of parental rights is a child-placing agency. Additionally, if the person filing the petition is a child-placing agency, the appointed attorney is to be paid reasonable attorney fees as determined by the State Public Defender.

The Act takes effect April 20, 2006, and is retroactively applicable to March 12, 2004.

[HOUSE FILE 2695](#) - Terminations of Tenancies — Notice

BY COMMITTEE ON JUDICIARY. This Act relates to notice requirements to terminate a tenancy and the service of a petition for forcible entry and detainer. The Act provides that a tenancy with a term longer than month-to-month may be terminated by either the landlord or the tenant by providing the other with at least 30 days' notice prior to the end of the tenancy. The Act removes the requirement that service by publication of a petition for forcible entry and detainer may be made only upon an unsuccessful attempt at personal service by the sheriff and allows service by publication if any attempt at personal service was unsuccessful.

[HOUSE FILE 2706](#) - Confidentiality of Charitable Donation Records

BY COMMITTEE ON STATE GOVERNMENT. This Act establishes an exception to Iowa's Public Records Law for certain records relating to charitable donations.

The Act makes confidential records or portions of records that disclose information about a donor's or prospective donor's personal, financial, estate planning, or gift planning matters, records received from a prospective donor regarding such donor's prospective gift or pledge, records containing information about a donor or a prospective donor in regard to the appropriateness of the solicitation and dollar amount of the gift or pledge, records that identify a prospective donor and that provide information on the appropriateness of the solicitation, the form of the gift or dollar amount requested by the solicitor, and the name of the solicitor, and portions of records disclosing the identity of a donor or prospective donor, directly or indirectly, when such donor has requested anonymity in connection with the gift or pledge, except for a gift or pledge of a publicly held business corporation.

The amount and date of a donation, any donor-designated use of or restriction on a donation, and a description of any considerations offered or given in exchange for a pledge or donation contained in the confidential records identified in the Act shall not be considered confidential.

The Act applies to certain records relating to charitable donations made to a foundation acting solely for the support of an institution governed by the State Board of Regents, to a private foundation as defined in Section 509 of the Internal Revenue Code organized for the support of a government body, and to an Endow Iowa qualified community foundation as defined in Code Section 15E.303 organized for the support of a government body. House File 2797 (see Appropriations) subsequently amended this Act to make it applicable to charitable donations made to a foundation acting solely for the support of an institution governed by Code Chapter 260C.

The Act does not apply to a report filed with the Ethics and Campaign Disclosure Board pursuant to Code Section 8.7.

[HOUSE FILE 2716](#) - Reports and Information Relating to Medical Condition and Treatment

BY COMMITTEE ON JUDICIARY. This Act relates to civil actions for personal injury or death, including certain evidentiary, reporting, and study information requirements.

USE, COLLECTION AND DISTRIBUTION OF CERTAIN MEDICAL INFORMATION. The Act adds the Iowa Healthcare Collaborative to the list of entities which may receive and publish information relating to a morbidity or mortality study. According to Code Section 135.40, a person, hospital, sanatorium, nursing or rest home, or other organization may provide specified information relating to the condition and treatment of any person to entities listed in the section, to now include the Iowa Healthcare Collaborative pursuant to the Act, to be used in a study for the purpose of reducing morbidity or mortality, without liability. In Code Section 135.41, the same entities, now to include the Iowa Healthcare Collaborative, may use or publish the information under specified circumstances and on a confidential basis regarding individuals involved as subjects in the study.

CLOSED AND OPEN CLAIM REPORTS — MEDICAL MALPRACTICE. An insurer providing medical malpractice insurance coverage to Iowa health care providers shall file annually on or before June 1 with the Commissioner of Insurance a report of all medical malpractice insurance claims, both open and closed, filed during the reporting period, against any such Iowa insureds during the preceding calendar year. The report shall be in writing and shall contain aggregate information by specialty area and paid loss and paid expense category, and shall include the total number of claims in the reporting period and the nature and substance of such claims, the total amounts paid within six months after final disposition of the claims, the total amount reserved for the payment of claims incurred and reported but not disposed of, certain expenses related to the claims, and any other additional information required by the commissioner. The commissioner shall compile annually the data included in such reports filed by insurers into an aggregate form by insurer and shall submit a written report summarizing such data along with any recommendations to the General Assembly and the Governor by December 1, 2007, with subsequent reports submitted to the General Assembly and the Governor annually thereafter.

Both reports shall be open to the public and available at no charge, except that any identifying information of any individual, including a patient, an insured, or a health care provider, shall remain confidential.

EVIDENCE OF REGRET OR SORROW — PROFESSIONAL NEGLIGENCE, PERSONAL INJURY, OR WRONGFUL DEATH. In any civil action or arbitration proceeding for professional negligence, personal injury, or wrongful death against a person represented by the examining boards listed in Code Section 272C.1, or any other licensed profession recognized in this state, a hospital licensed pursuant to Code Chapter 135B, or a health care facility licensed pursuant to Code Chapter 135C, that portion of a statement, affirmation, gesture, or conduct expressing sorrow, sympathy, commiseration, condolence, compassion, or a general sense of benevolence that was made by the person to the plaintiff, relative of the plaintiff, or decision maker for the plaintiff that relates to the discomfort, pain, suffering, injury, or death of the plaintiff as a result of an alleged breach of the applicable standard of care is inadmissible as evidence, and any response by the plaintiff, relative of the plaintiff, or decision maker for the plaintiff to such statement, affirmation, gesture, or conduct is similarly inadmissible as evidence.

HOUSE FILE 2740 - Court Administration and Procedure

BY COMMITTEE ON JUDICIARY. This Act relates to the judicial branch and court administration and procedure.

The Act expands the Iowa Supreme Court's authority to adopt rules relating to expedited time frames for appeals from interlocutory orders entered in child in need of assistance proceedings or termination of parental rights orders entered pursuant to Code Section 232.117. Current law limits the Supreme Court's authority to adopt rules to expedite the resolution of appeals from final orders only.

The clerk of court shall send a copy of any order or approved consent agreement in a domestic abuse case to the county sheriff of the county in which the order or consent decree is initially

entered. The Act eliminates the requirement that a clerk of the district court serve as a collection agent for the fee involved in recording a transfer of title to real estate.

The Act identifies the State Court Administrator as the administrator of the Board of Shorthand Reporters.

The Act eliminates the 30-day time limit in which an application for further review from the Iowa Court of Appeals must be acted upon by the Supreme Court and makes an additional corrective amendment relating to applications for further review and Supreme Court action.

The Act extends the period of time in which an execution of judgment is made for recovery of a judgment from 70 days to 120 days.

The Act amends the procedure for publication of a notice of an estate without administration by placing the responsibility with the proponent of the estate instead of with the clerk of the district court.

The Act establishes a procedure for prompt recording of foreclosures and satisfaction of foreclosures by the mortgagee instead of by the clerk of the district court, and establishes a monetary penalty of \$100 for failure to record.

The Act eliminates obsolete language concerning jail time reports by clerks of the district court and magistrate and judge reporting requirements, and provides other corrective amendments consistent with the amendments in the Act.

The Act contains a provision and a conforming provision extending the period of time in which an execution of a judgment is made for recovery of a judgment from 70 days to 120 days. Such provisions were also enacted in H.F. 2333 (see Alcohol Regulation & Substance Abuse).

[HOUSE FILE 2742](#) - **Probate and Trust Codes — Miscellaneous Provisions**
BY COMMITTEE ON JUDICIARY. This Act relates to the Iowa Probate and Trust Codes.

The Act amends provisions in the eligibility requirements for medical assistance pursuant to Code Chapter 249A and provides that unless a surviving spouse who applies for medical assistance has a premarital agreement that specifically precludes the surviving spouse from taking the decedent spouse's elective share, the failure of a surviving spouse to take an elective share constitutes a transfer of assets for purposes of determining eligibility for medical assistance under Code Chapter 249A.

The Act eliminates language relating to the court's approval of a conservator's duties in regard to the revocation or modification of a trust.

Unless a trustee actually knows that a person holding a power to revoke the trust is not competent, the holder of the power has rights afforded the beneficiary, the duties of the trustee are owed to the holder of the power, and the trustee shall follow a written direction given by the holder of the power without liability for doing so, as long as the action is authorized by the trust.

The Act adds the terms "debts" and "charges" to sections of the Code referring to the obligations of a trust and a deceased settlor that can be recovered from the settlor's revocable trust. The terms are also added for purposes of classification and order of payment of debts and charges against a settlor's estate. The Act provides definitions of such terms.

The Act includes specific notice and claim provisions affecting claimants asserting claims against revocable trust assets and specifies which notice provision applies to a particular claimant and under what circumstances a claimant's claims will be barred. The changes also specify how a creditor must provide notice to a trustee of a claim, the procedure for a trustee

to deny a claim, the time limit for a creditor to contest a denial of a claim, and how the one-year statute of limitations affects a creditor who asserts a claim against the assets of a trust. The section of the Act amending these notice and claim provisions applies to trusts of settlors who die on or after July 1, 2006.

If the terms of the trust give a person other than the settlor of a revocable trust power to direct certain actions of the trustee, the trustee shall act in accordance with an exercise of the power unless the trustee knows the attempted exercise violates the terms of the trust or the trustee knows that the person holding the power is not competent.

A trustee's duty to keep the beneficiaries of the trust informed about the administration of the trust and material facts necessary to protect the beneficiaries' interests applies to an irrevocable trust. The Act specifies persons to whom the trustee shall send the trustee's report for trusts in which a settlor has retained the right to change a beneficiary or where a person is a holder of a presently exercisable general power of appointment. Both provisions apply to trust accounting periods ending on or after July 1, 2006.

A person who intentionally and unjustifiably causes or procures the death of another shall not receive any property, benefit, or other interest as a beneficiary of a trust by reason of such death. Any property, benefit, or other interest that such person would have received because of such death shall be distributed as if the person causing the death died before the person whose death was intentionally and unjustifiably caused or provoked. This provision applies to property, benefit, or other trust interests distributed on or after July 1, 2006.

A settlor shall not represent and bind a beneficiary under the Iowa Trust Code with respect to the termination or modification of a trust. This provision applies to trust terminations or modifications completed on or after July 1, 2006.

[HOUSE FILE 2775](#) - Motor Vehicle Citations, Hospital Lien Docket, and Clerk of Court Duties

BY COMMITTEE ON APPROPRIATIONS. This Act relates to the judicial branch, including the assessment of court fees and costs.

The Act authorizes the court to assess costs of an action against an owner or driver stopped and cited by a peace officer for failure to provide a valid driver's license or proof of financial liability coverage who later provides proof of such license or coverage prior to the owner or driver's scheduled court appearance, and to assess costs of an action against a motor carrier owner or driver stopped and cited by a peace officer for failure to provide proper evidence of interstate authority who later provides such proof prior to the motor carrier owner or driver's scheduled court appearance.

The Act also increases the fee for filing a hospital lien from \$10 to \$20, creates a \$50 fee for filing and docketing a transcript of the judgment in a civil case, and increases the amount charged for the mailing of an original notice in a small claims case from \$8 to \$10.

[HOUSE FILE 2786](#) - Civil Actions and Foreclosures Against Real Estate

BY COMMITTEE ON WAYS AND MEANS. This Act relates to civil actions and the foreclosure of real estate mortgages.

A civil action shall not be brought to renew or extend a judgment unless by a voluntary written stipulation between the judgment creditor and the equitable titleholders.

If a case file has been sealed, any judgments entered in the case shall not become a lien on real property until either the identity of the judgment creditor becomes public record or until the judgment creditor designates an agent and an office on which process on the judgment

creditor may be served. This section of the Act applies to judgments entered on or after July 1, 2007.

The Act provides for certain notice requirements for persons intentionally evading service of process in a case in which a debtor is in actual possession of land.

In regard to the execution of certain judgments, a party who has appeared in a foreclosure action may submit a written bid that meets certain requirements.

At any time prior to the court's decree in a foreclosure action, the plaintiff, or a person guaranteeing title of the plaintiff's mortgage, may post a bond not less than twice the amount of the claim with sureties to be approved by the clerk of court and apply to the court to release the claim against the property of any person claiming a lien superior to that of the plaintiff in the property subject to foreclosure. Notice of the bond and the court's order of release shall be served on the claimant and unless the claimant has appeared in the foreclosure action, the service shall be by personal service. If the claimant fails to file an action on the bond within 12 months from service of the notice, the claimant shall be barred from any further remedy. In a successful action on the bond, the court may award the claimant reasonable attorney fees.

A junior creditor may file and serve on the judgment creditor a request for notice of the sheriff's sale prior to the date of sale and the attorney for the judgment creditor shall file proof of service of such notice. Upon motion, the court may set aside a sale in which a junior creditor who requests notice is damaged by the failure to give notice.

A lender may serve a judgment creditor in a foreclosure action with notice in substantially the form prescribed in the Act, advising the creditor that the property that is the subject of the foreclosure action shall be foreclosed, describing the creditor's interest in the action and that unless such creditor intervenes in the foreclosure action such creditor shall lose the creditor's interest in the mortgaged property, and that the court may adjudicate the creditor's rights against the property as if the creditor had been added as a defendant and default had been entered against the defendant.

At any time prior to the recording of the sheriff's deed, a judgment creditor or a successful bidder at a sheriff's sale may rescind the foreclosure action by filing a notice of rescision with the clerk of the district court in the county in which the property is located along with a filing fee. In addition, such person shall pay a filing fee for documents previously filed in the foreclosure action. Upon the filing of the notice of rescision, the mortgage loan shall be enforceable according to the original terms of the foreclosure. However, any findings of fact or law in the rescision action shall be preclusive for purposes of any future action unless the court, upon hearing, rules otherwise in the rescision action. The mortgagor shall be assessed costs, including reasonable attorney fees, of foreclosure and rescision if provided by the mortgage agreement.

At any time during the pendency of the foreclosure, the plaintiff may apply to the court for an order approving an offer for a commercially reasonable sale of the property free of the claims of the parties to the action and other persons served with notice.

When a judgment is paid in full, the mortgagee shall file with the clerk of the district court a satisfaction of judgment which shall release the mortgage underlying the action.

A mortgagee may file a written notice together with proof of service on the mortgagor with the recorder of the county where the mortgaged property is located. Such a filing shall have the same force and effect on third parties as an indexed notation entered by the clerk of the district court pursuant to Code Section 617.10.

The Act repeals Code Section 655.4, relating to a clerk of the district court's entry of judgment of foreclosure referring to the mortgage and acknowledging that the mortgage was foreclosed and giving the date of the decree.

The Act does not apply to real estate used for an agricultural purpose or to a one- or two-family dwelling which is, at the time the foreclosure action is initiated, occupied by an equitable titleholder.

Except for judgments entered in a case where a case file has been sealed, the Act applies to actions commenced on or after July 1, 2006.

CRIMINAL LAW, PROCEDURE AND CORRECTIONS

- [SENATE FILE 2219](#) - Human Trafficking
- [SENATE FILE 2267](#) - Operation of Motor Vehicles — Safety — Related Regulation
- [SENATE FILE 2285](#) - Distribution of Presentence Investigation Reports
- [SENATE FILE 2304](#) - Indigent Defense and Juvenile Court Actions — Costs and Funding
- [SENATE FILE 2327](#) - Information Used to Secure Arrest Warrants — Access
- [HOUSE FILE 2365](#) - Disorderly Conduct — Funerals or Memorial Services
- [HOUSE FILE 2398](#) - Failure to Stop and Render Aid at Motor Vehicle Accidents — Penalties
- [HOUSE FILE 2506](#) - Identity Theft Passports
- [HOUSE FILE 2562](#) - Law Enforcement Agency Electronic Mail and Telephone Billing Records
- [HOUSE FILE 2624](#) - Criminal Indictments and Informations — Statutes of Limitations
- [HOUSE FILE 2696](#) - Disposition of Seized Controlled Substances
- [HOUSE FILE 2789](#) - Court Costs, Fines, and Indigent Defense — Amounts and Allocations

RELATED LEGISLATION

- [SENATE FILE 2253](#) - Substantive Code Corrections
SEE STATE GOVERNMENT. This Act updates language relating to court-martial for failure to secure and turn over captured or abandoned property under the Military Justice Code, clarifies certain prohibited conduct under the "Controlled Substances" chapter, eliminates expired penalties associated with the Driver's License Indebtedness Clearance Pilot Project, eliminates a reference to an expired defense in provisions prohibiting cigarette sales to minors, transfers a provision relating to the Criminalistics Laboratory Fund from language relating to the district court clerk's payment duties to another location, clarifies language prohibiting the use of pets as prizes, and reinstates Trust Code proceedings costs as an indigent defense costs exclusion.
- [SENATE FILE 2273](#) - Miscellaneous Supplemental Appropriations and Financial Regulation
SEE APPROPRIATIONS. This Act provides supplemental appropriations for fiscal year 2005-2006 and includes supplemental appropriations for the Department of Corrections, the Department of Public Safety, and the State Public Defender.
- [SENATE FILE 2333](#) - Veterans Commemorative Property
SEE PUBLIC DEFENSE & VETERANS. This Act makes a person who, without authorization from the Department of Veterans Affairs, sells, trades or transfers certain veteran commemorative property guilty of a simple misdemeanor.
- [SENATE FILE 2342](#) - District Associate Judges and Magistrates — Number and Appointment
SEE CIVIL LAW, PROCEDURE & COURT ADMINISTRATION. This Act increases the number of district associate judges eligible to be appointed in a county based upon the population of that county. Three magistrate positions may be appointed in lieu of appointing a district associate judge. The Act provides for the appointment of a district associate judge in lieu of appointing a full-time associate juvenile judge.

- [HOUSE FILE 711](#) - Appointment of Chief Juvenile Court Officers
SEE CHILDREN & YOUTH. This Act permits the chief judge of a judicial district to appoint or remove the chief juvenile court officer for cause after consultation with the judges of the judicial district.
- [HOUSE FILE 2238](#) - Federal Block Grant Appropriations
SEE APPROPRIATIONS. This Act appropriates federal block grant and other nonstate moneys to state agencies for the federal fiscal year beginning October 1, 2006, and ending September 30, 2007. The Act includes funding for various programs involving criminals and corrections, including the Stop Violence Against Women Grant Program, the Residential Substance Abuse Treatment for State Prisoners Formula Grant Program, and the Edward Byrne Justice Assistance Grants Program.
- [HOUSE FILE 2332](#) - Child Support
SEE HUMAN SERVICES. This Act relates to child support and provides a new penalty for a second or subsequent offense if a payor, with actual knowledge and intent to avoid legal obligation, fails to withhold income or to pay the amounts withheld to the Collections Services Center or the clerk of court, of a serious misdemeanor. A person commits nonsupport of the person's child or ward under the age of 18 if the person fails or refuses to provide support for a period longer than one year or in an amount greater than \$5,000. The Act directs the Child Support Recovery Unit to submit a report regarding the effectiveness of this provision to the Governor and the General Assembly by January 15, 2007.
- [HOUSE FILE 2337](#) - Department of Public Safety Organization and Peace Officer Authority
SEE STATE GOVERNMENT. This Act provides that a peace officer of the Department of Public Safety shall not be called upon for service within a municipality involving an industrial dispute unless a threat of imminent violence exists and the Governor approves the use of such officers.
- [HOUSE FILE 2571](#) - Criminal Intelligence Assessment and Intelligence Data — Confidentiality and Release
SEE STATE GOVERNMENT. This Act makes an intelligence assessment and intelligence data prepared by the Department of Public Safety a confidential record unless there is a public health and safety threat advisory.
- [HOUSE FILE 2612](#) - Marine Accidents — Vessel Operator Failure to Render Information and Assistance
SEE NATURAL RESOURCES & OUTDOOR RECREATION. This Act provides for increasingly severe criminal penalties for the failure of a watercraft operator to offer assistance and information at the scene of a collision, accident or casualty involving the watercraft based upon what damage or injury results from the collision, accident or casualty.
- [HOUSE FILE 2652](#) - Domestic Abuse and Other Dangerous Activities — Penalties and Protective or No-Contact Orders
SEE CIVIL LAW, PROCEDURE & COURT ADMINISTRATION. This Act relates to civil and criminal procedure, including the issuance of and violations of civil protective orders and criminal no-contact orders. The Act in part consolidates Code sections relating to the issuance of and

violations of no-contact orders in criminal cases in which a defendant has been arrested for the crimes of harassment, stalking, and sexual abuse in the first, second and third degrees, and domestic abuse assault. The Act also provides that a conviction for, deferred judgment for, or plea of guilty to a violation of domestic abuse assault which occurred more than 12 years prior to the date of the domestic abuse assault shall not be considered in determining that the crime is a second or subsequent offense.

[HOUSE FILE 2697](#) - Prisoners in Municipal Holding Facilities or County Jails — Medical Aid **SEE LOCAL GOVERNMENT**. This Act permits a county jail or municipal holding facility to charge a prisoner for any medical aid provided to that prisoner.

[HOUSE FILE 2743](#) - Healthy Iowans Tobacco Trust and Tobacco Settlement Trust — Appropriations **SEE APPROPRIATIONS**. This Act relates to and makes appropriations from the Healthy Iowans Tobacco Trust for FY 2006-2007, including to the Department of Corrections for community-based corrections, day programming, the Drug Court Program, substance abuse treatment, services for dual diagnosis offenders, for the Fort Madison correctional facility for the clinical care unit, and for the Newton Correctional Facility for a value-based treatment program.

[HOUSE FILE 2797](#) - State and Local Government Financial and Regulatory Matters — Appropriations and Miscellaneous Changes **SEE APPROPRIATIONS**. This Act relates to state and local finances by providing for funding of property tax credits and reimbursements, by making, increasing, reducing, and transferring appropriations, providing for salaries and compensation of state employees, providing for fees and penalties, providing tax exemptions, and providing for properly related matters. The Act includes a number of provisions affecting criminal punishment.

CRIMINAL LAW, PROCEDURE AND CORRECTIONS

[SENATE FILE 2219](#) - Human Trafficking BY COMMITTEE ON JUDICIARY. This Act relates to the crime of human trafficking, including provisions relating to law enforcement training and victim assistance programs, provides penalties, and provides for a study.

The Act creates new Code Chapter 710A relating to the crime of human trafficking. The Act provides that a person commits the crime of human trafficking if the person participates in a venture to recruit, harbor, transport, supply provisions, or obtain another person for either forced labor or services or commercial sexual activity, and provides specific definitions relating to the elements of the crime of human trafficking. A person who commits a human trafficking crime is guilty of either a class "C" or class "D" felony depending on the circumstances of the offense and depending upon whether the victim was a person under 18 years of age. A class "C" felony is punishable by confinement for no more than 10 years and a fine of at least \$1,000 but not more than \$10,000, and a class "D" felony is punishable by confinement for no more than five years and a fine of at least \$750 but not more than \$7,500.

The Act further contains provisions relating to an affirmative defense in a criminal prosecution directly related to a defendant's status as a victim of a human trafficking crime, restitution,

general rights of human trafficking victims, and victim compensation. The Act also contains provisions relating to local law enforcement human trafficking training programs and the procedures law enforcement officers must follow when investigating a human trafficking crime. The Act requires the Attorney General to certify to the U.S. Department of Justice, or any other appropriate federal agency, a suspected human trafficking victim's eligibility for available federal benefits, if appropriate.

The Act requests the Legislative Council to authorize a human trafficking study for the 2006 legislative interim for identifying the needs of human trafficking victims and law enforcement agencies.

SENATE FILE 2267 - Operation of Motor Vehicles — Safety — Related Regulation

BY COMMITTEE ON TRANSPORTATION. This Act requires that a driver education course include instruction about making students aware of sharing the road with bicycles and motorcycles. Under the Act, the bicycle and motorcycle awareness course shall first be approved by the Department of Transportation.

The Act also provides that motor vehicle operators who are convicted of certain moving violations which are simple misdemeanors may be subject to additional fines and licensing sanctions if such a violation causes injury or death. The Act applies to specified violations that involve failure to yield or interfering with the right-of-way of a vehicle or person. For a violation causing serious injury to another person, the court may impose an additional fine of \$500 or driver's license suspension for up to 90 days, or both. Under the Act, "serious injury" means the same as defined in Code Section 702.18.

For a violation which causes the death of a person, the court may impose an additional fine of \$1,000 or driver's license suspension for up to 180 days, or both.

SENATE FILE 2285 - Distribution of Presentence Investigation Reports

BY COMMITTEE ON JUDICIARY. This Act requires the court to provide access to the presentence investigation report to a defendant's attorney and the county attorney at least three days prior to the sentencing hearing. Current law provides that the court send a copy of the presentence investigation report to the defendant's attorney and the county attorney by ordinary mail or electronic means three days prior to the sentencing hearing.

The Act also eliminates the requirement that the court release the presentence investigation report by ordinary or electronic mail to the Department of Corrections if the person is required to register as a sex offender.

A presentence investigation report is a report detailing a criminal defendant's criminal and social history.

SENATE FILE 2304 - Indigent Defense and Juvenile Court Actions — Costs and Funding

BY COMMITTEE ON JUDICIARY. This Act relates to indigent defense claims and reimbursement of costs in juvenile cases paid by a county.

The Act defines the term "claimant" to mean an attorney or other person seeking reimbursement of costs or fees payable from the appropriations made to the Indigent Defense Fund under Code Section 815.11.

In a claim dispute between a claimant and the State Public Defender, the Act makes the decision of the court appealable by either the claimant or the State Public Defender.

The Act provides that the State Public Defender shall not revise the allocations to the State Public Defender and the allocations for the defense of indigent adults or juveniles unless prior notice is properly given. Current law provides that the State Public Defender shall not revise

any allocation prior to the effective date of any revision and only if proper notice of the revision is given.

Under current law, the county, in juvenile cases, directly pays the interpreters and the costs of depositions and transcripts, and then seeks reimbursement from the Indigent Defense Fund. In adult criminal cases, the state directly pays for interpreters and the costs of depositions and transcripts out of the Indigent Defense Fund. The Act provides that the state, in juvenile cases, will directly pay the interpreters and the costs of depositions and transcripts out of the Indigent Defense Fund.

Under current law and the Act, the county, in juvenile cases, is still responsible for reimbursing the state up to the county's base as provided in Code Section 232.141, subsection 3.

SENATE FILE 2327 - Information Used to Secure Arrest Warrants — Access

BY COMMITTEE ON JUDICIARY. This Act permits an employee of the county attorney's office to have access to confidential arrest warrant information prior to a person being arrested. Current law limits access to confidential arrest warrant information to a peace officer, magistrate, or other court employees in the course of official duties.

HOUSE FILE 2365 - Disorderly Conduct — Funerals or Memorial Services

BY COMMITTEE ON VETERANS AFFAIRS. This Act prohibits a person from making loud and raucous noise, directing abusive epithets or making threatening gestures, or disturbing or disrupting a funeral, memorial service, funeral procession, or burial.

The Act applies to conduct within 500 feet of a funeral, memorial service, funeral procession, or burial.

The Act applies to conduct within 60 minutes preceding, during, and 60 minutes after a funeral, memorial service, funeral procession, or burial.

Under the Act, a person commits a simple misdemeanor for a first offense, a serious misdemeanor for a second offense, and a class "D" felony for a third or subsequent offense.

The Act takes effect April 17, 2006.

HOUSE FILE 2398 - Failure to Stop and Render Aid at Motor Vehicle Accidents — Penalties

BY COMMITTEE ON PUBLIC SAFETY. This Act addresses the penalties that may apply to a motor vehicle operator who is convicted of failing to stop and render aid at the scene of a motor vehicle accident.

Under current law, the driver of a motor vehicle involved in an accident who fails to stop and render reasonable assistance, if necessary, commits a serious misdemeanor if the accident results in an injury to any person. The Act increases the penalty to an aggravated misdemeanor for such an accident if the resulting injury is a serious injury. "Serious injury" includes disabling mental illness; bodily injury which creates a substantial risk of death, serious permanent disfigurement, or protracted loss or impairment of the function of any bodily member or organ; any injury to a child that requires surgery under general anesthesia; and certain skeletal injuries to a child under four years of age.

The Act also increases the penalty that applies if the accident results in the death of a person from an aggravated misdemeanor to a class "D" felony.

HOUSE FILE 2506 - Identity Theft Passports

BY COMMITTEE ON COMMERCE, REGULATION AND LABOR. This Act authorizes the Attorney General to issue an identity theft passport to a victim of identity theft who has filed a police

report with a law enforcement agency regarding the identity theft. The victim may present the identity theft passport to any law enforcement agency or creditor of the victim to help prevent the victim's arrest for an offense committed by a person using the victim's identity and to aid in the investigation of fraudulent charges on accounts in the victim's name.

HOUSE FILE 2562 - Law Enforcement Agency Electronic Mail and Telephone Billing Records

BY COMMITTEE ON PUBLIC SAFETY. This Act amends Code Chapter 22 to make electronic mail and telephone billing records of law enforcement agencies confidential for as long as the statute of limitations would have run on a crime that is the subject of those records.

HOUSE FILE 2624 - Criminal Indictments and Informations — Statutes of Limitations

BY COMMITTEE ON JUDICIARY. Under this Act, an indictment or information may be filed containing only the DNA profile of the person charged. The filing of an indictment or information containing only the DNA profile tolls the statute of limitations of any action under Code Section 802.3. However, the Act provides that an indictment or information shall be filed within three years from the date the identity of the person charged is identified by the person's DNA profile. If the offense involves sexual abuse and the person is identified by the person's DNA profile, the indictment or information shall be filed as provided in Code Section 802.2.

HOUSE FILE 2696 - Disposition of Seized Controlled Substances

BY COMMITTEE ON PUBLIC SAFETY. Under this Act, if more than 10 pounds of marijuana or more than one pound of any other controlled substance is seized for a violation of Iowa's "Uniform Controlled Substances Act," Code Chapter 124, the law enforcement agency responsible for retaining the seized controlled substance may destroy the seized controlled substance if the law enforcement agency retains at least 10 pounds of any marijuana seized or one pound of any other controlled substance seized for evidence purposes.

Prior to any such destruction, the law enforcement agency shall photograph the controlled substances with identifying case numbers or any other case identifiers and prepare a written report detailing any relevant information about the destruction of the controlled substance.

At least 30 days prior to any destruction of a controlled substance, the law enforcement agency destroying the controlled substance shall notify in writing any person arrested in connection with the seizure, any attorney of record, and any other law enforcement agency involved in the seizure that the law enforcement agency is planning to photograph and destroy part of the controlled substance seized, and any person or agency notified may be present at the photographing of the controlled substance to be destroyed.

Any person or agency notified about the destruction of the controlled substance may file an application with the district court resisting the destruction of the controlled substance.

The Act creates a rebuttable presumption that the remaining controlled substance not destroyed and the photographs and other records related to the destruction of the controlled substance are admissible in court for any purpose for which the destroyed controlled substance would have been admissible.

HOUSE FILE 2789 - Court Costs, Fines, and Indigent Defense — Amounts and Allocations

BY COMMITTEE ON WAYS AND MEANS. This Act relates to assessing court costs and modifying fines, providing for indigent defense, and making appropriations to the judicial branch, Department of Corrections, Department of Inspections and Appeals, and the Attorney General.

The Act increases the court costs, including filing and docketing fees, for simple misdemeanors from \$30 to \$50. The Act increases the fee charged by the clerk of the district court for filing and docketing in all other criminal cases from \$30 to \$100.

The Act increases the fines for operating while intoxicated (OWI). For first offense OWI, the fine increases from \$1,000 to \$1,250. The court may waive up to \$625 of the minimum fine for a first offense OWI. Currently the court may waive up to \$500 of a first offense OWI fine. For a second offense OWI, the minimum fine increases from \$1,500 to \$1,875, and the maximum fine increases from \$5,000 to \$6,250. For a third offense OWI, the minimum fine increases from \$2,500 to \$3,125, and the maximum fine increases from \$7,500 to \$9,375.

The Act also increases the fines for misdemeanors. The Act increases the minimum fine for simple misdemeanors from \$50 to \$65, and the maximum fine from \$500 to \$625. The minimum fine for serious misdemeanors increases from \$250 to \$315, and the maximum fine increases from \$1,500 to \$1,625. The Act increases the minimum fine for aggravated misdemeanors from \$500 to \$625, and the maximum fine from \$5,000 to \$6,250.

The Act directs the State Court Administrator to allocate \$14 million annually, from fines and fees collected by the clerk of the district court, to the judicial branch to be used for salaries, maintenance, equipment, and other miscellaneous purposes. The amount of the allocation in the Act is excluded from the calculation of the judicial collection estimate for each fiscal year. Current law directs the State Court Administrator to allocate \$7 million to the judicial branch.

The Act also directs the State Court Administrator to allocate \$3 million from the fines and fees collected by the clerk of the district court to the Office of the State Public Defender for FY 2006-2007 and every fiscal year thereafter. The funds allocated to the Office of the State Public Defender are to be used to compensate court-appointed attorneys for representing indigent adults and juveniles.

The Act directs the State Court Administrator to allocate \$300,000 from the fines and fees collected by the clerk of the district court to the Office of Attorney General for FY 2006-2007 and every fiscal year thereafter. The funds allocated to the Office of Attorney General are to be used for legal services for persons in poverty grants.

The Act directs the State Court Administrator to allocate \$560,000 from the fines and fees collected by the clerk of the district court to the Department of Corrections (DOC) for FY 2006-2007 and every fiscal year thereafter. The funds allocated to DOC are to be used for offenders transferred to DOC pursuant to Code Section 229A.5, subsection 5.

The Act increases the hourly reimbursement rates for attorneys representing an indigent person for court appointments made on or after July 1, 2006. The Act raises the hourly rate from \$60 to \$65 for class "A" felonies, \$55 to \$60 for all other felonies and for misdemeanors, and \$50 to \$55 for all other cases.

ECONOMIC DEVELOPMENT

- [SENATE FILE 2147](#) - Enterprise Zones — Eligible Businesses — Location
- [SENATE FILE 2183](#) - Enterprise Zones — Miscellaneous Changes
- [HOUSE FILE 2613](#) - Miscellaneous Economic Development Programs and Reports
- [HOUSE FILE 2661](#) - Linked Investments for Tomorrow Act Revisions
- [HOUSE FILE 2731](#) - Urban Renewal — Targeted Jobs Withholding Tax Credit
- [HOUSE FILE 2791](#) - Economic Development — Endow Iowa Tax Credit and County Endowment Fund Changes

RELATED LEGISLATION

- [SENATE FILE 2253](#) - Substantive Code Corrections
SEE STATE GOVERNMENT. This Act clarifies language relating to the business accelerator's professional staff qualifications, corrects various references to the community empowerment facilitator, eliminates an obsolete reference in a Cattle Promotion Fund provision, conforms language regarding the Iowa Soybean Association Board duties to other language, corrects the use of a term in language regarding employment of investment adviser representatives, adds a citation to cooperative associations in a provision regarding the use of trade names, makes corrections in language specifying the contents of franchise disclosure documents, eliminates an obsolete future repeal of a community college workforce training and economic development funding provision, and corrects a retroactivity issue relating to the Iowa Comprehensive Health Insurance Program.
- [HOUSE FILE 2238](#) - Federal Block Grant Appropriations
SEE APPROPRIATIONS. This Act appropriates federal block grant and other nonstate moneys to state agencies for the federal fiscal year beginning October 1, 2006, and ending September 30, 2007. The Act includes funding for economic development programs, including the Community Development Block Grant.
- [HOUSE FILE 2351](#) - Eminent Domain — VETOED BY THE GOVERNOR — VETO OVERRIDDEN
SEE LOCAL GOVERNMENT. This Act makes changes to the law relating to eminent domain authority and the procedure by which eminent domain authority is exercised (condemnation).
- [HOUSE FILE 2459](#) - Appropriations — Economic Development
SEE APPROPRIATIONS. This Act appropriates moneys from the General Fund of the State as well as various other funds to the Department of Economic Development and the Iowa Finance Authority.
- [HOUSE FILE 2540](#) - Appropriations — Agriculture and Natural Resources
SEE APPROPRIATIONS. This Act provides for the National Pollutant Discharge Elimination System by establishing a fund, providing for the issuance of permits as provided by rules established by the Department of Natural Resources, the assessment and collection of fees, and the deposit of fees into the fund. Part of those moneys is appropriated to the Department of Economic Development to support an environmental advocate to provide technical assistance to persons engaged in livestock operations.

- [HOUSE FILE 2706](#) - Confidentiality of Charitable Donation Records
SEE CIVIL LAW, PROCEDURE & COURT ADMINISTRATION. This Act establishes an exception to Iowa's Public Records Law for certain records relating to charitable donations. The Act in part applies to charitable donations made to an Endow Iowa qualified community foundation as defined in Code Section 15E.303 organized for the support of a government body.
- [HOUSE FILE 2754](#) - Regulation of Renewable Fuels and Energy
SEE AGRICULTURE. This Act provides for the regulation and promotion of biofuel and renewable fuel. The Act promotes alternative and renewable energy for purposes of furthering economic development initiatives administered by the Department of Economic Development (DED). The Act provides that a member of the Iowa Economic Development Board may have an expertise in alternative and renewable energy in lieu of in economics. The Act adds alternative and renewable energy to lists of targeted industries in a number of provisions in the Code. The Act establishes a Renewable Fuel Infrastructure Board within DED which is responsible for administering renewable fuel infrastructure programs with assistance from DED and members of the Underground Storage Tank Fund Board.
- [HOUSE FILE 2782](#) - Appropriations — Infrastructure and Capital Projects
SEE APPROPRIATIONS. Division IX of this Act creates the Iowa Great Places Program Fund under the authority of the Department of Cultural Affairs (DCA) to fund capital infrastructure projects for identified Iowa Great Places through the Iowa Great Places Program and Division V appropriates \$3 million from the Endowment for Iowa's Health Restricted Capitals Fund to DCA for deposit into the fund.
- [HOUSE FILE 2797](#) - State and Local Government Financial and Regulatory Matters — Appropriations and Miscellaneous Changes
SEE APPROPRIATIONS. This Act relates to state and local finances by providing for funding of property tax credits and reimbursements, by making, increasing, reducing, and transferring appropriations, providing for salaries and compensation of state employees, providing for fees and penalties, providing tax exemptions, and providing for properly related matters. The Act includes a number of provisions affecting economic development matters.

ECONOMIC DEVELOPMENT

- [SENATE FILE 2147](#) - Enterprise Zones — Eligible Businesses — Location
BY ANGELO. This Act relates to the requirement of location as an eligibility criterion for businesses under the Enterprise Zone Program.

The Act provides that a business may be an eligible business under the Enterprise Zone Program if the business is partially located in an enterprise zone. If the business is only partially located in an enterprise zone, the business must be located on contiguous land.

The Act takes effect March 22, 2006.

SENATE FILE 2183 - Enterprise Zones — Miscellaneous Changes

BY COMMITTEE ON ECONOMIC GROWTH. This Act relates to the certification of enterprise zones and incentives and assistance under the Enterprise Zone Program.

Previously, a city with a population of 24,000 or more was eligible to designate an enterprise zone provided certain distress criteria were met. The Act eliminates the population criteria and provides that a city which includes at least three census tracts with at least 50 percent of the population in each census tract located in the city may designate an enterprise zone provided certain distress criteria are met.

The Act changes the deadline for certifying an enterprise zone from March 1, 2006, to July 1, 2010. The total amount of land designated as enterprise zones by counties shall not exceed in the aggregate 1 percent of the total county area. Previously, land designated by cities was also included for purposes of aggregate area.

Prior to the expiration of an enterprise zone designation, a city or county meeting the appropriate distress criteria may apply for a one-time 10-year extension of the designation. Such enterprise zones may have redefined boundaries. Prior to the expiration of an enterprise zone designation, a city or county that is not eligible to designate an enterprise zone but previously designated the enterprise zone may apply for a one-time extension of the enterprise zone designation to one year following the complete publication of the 2010 federal census. These provisions take effect May 30, 2006, and apply retroactively to May 14, 1997.

A city may designate an area of up to four square miles to be an enterprise zone if the area is a blighted area and the area is located within four miles of at least three of the following: a commercial service airport, a barge terminal or a navigable waterway, an entry to a rail line, an entry to an interstate highway, or an entry to a commercial and industrial highway network. An eligible housing business is prohibited from receiving incentives or assistance for a home or multiple dwelling unit built or rehabilitated in such an enterprise zone. For the fiscal period beginning July 1, 2007, and ending June 30, 2010, each fiscal year a cumulative total of not more than \$25 million worth of incentives and assistance shall be awarded to eligible businesses applying for incentives and assistance during that fiscal year that are located in such an enterprise zone.

The Department of Economic Development must submit a written report to the General Assembly regarding the Enterprise Zone Program and other programs administered by the department.

Except as otherwise provided, the remaining provisions of the Act take effect May 30, 2006, and apply retroactively to March 1, 2006.

HOUSE FILE 2613 - Miscellaneous Economic Development Programs and Reports

BY COMMITTEE ON ECONOMIC GROWTH. This Act relates to economic development-related programs and reports.

Previously, the Department of Economic Development (DED) was required to report annually to the Legislative Services Agency regarding data on all assistance or benefits provided under the Community Economic Betterment Program, the High Quality Job Creation Program, and the Iowa Industrial New Jobs Training Act during the previous calendar year. The Act requires DED to submit such information to the Governor in addition to the Legislative Services Agency.

The Act eliminates certain reporting requirements for DED and economic development corporations, certain joint activities between DED and the Department of Agriculture and Land Stewardship, a microbusiness enterprise assistance program, and DED's duty to establish an industrial and business export trade plan with trade related programs.

HOUSE FILE 2661 - Linked Investments for Tomorrow Act Revisions

BY COMMITTEE ON ECONOMIC GROWTH. This Act relates to the Linked Investments for Tomorrow Act.

The Act eliminates the Rural Small Business Transfer Linked Investment Loan Program, the Horticultural and Nontraditional Crops Linked Investment Loan Program, the Traditional Livestock Producer's Linked Investment Loan Program, and the Value-Added Agricultural Linked Investment Loan Program. The Act makes conforming amendments.

The Act changes the name of the Focused Small Business Linked Investments Program to the Small Business Linked Investments Program, and changes the eligibility criteria under the program. Previously, the program was available to new small businesses which are 51 percent or more owned, operated, and actively managed by one or more women, minority persons, or persons with a disability. The Act eliminates the requirement regarding ownership, operation, and active management of the business. A new or existing small business is eligible if all owners of the business or borrowers do not have a combined net worth exceeding \$750,000 and if the business is a for-profit business, has annual gross sales of \$2 million or less if the application involves an existing business or the transfer of an existing business, is not operated out of the home of any person unless certain criteria are met, does not involve real estate investments, rental of real estate, leasing of real estate, or real estate speculation, and liquor, beer and wine sales do not exceed 20 percent of annual sales for certain liquor license holders. If an application involves the transfer of an existing small business, the transfer must be by purchase, lease-purchase, or contract of sale. The Act provides an additional requirement for existing small businesses that local competition does not exist in the principal area of business activity of the existing small businesses.

The Act changes the amount of moneys the Treasurer of State may invest under the Small Business Linked Investments Program. Previously, the Treasurer of State could invest up to the lesser of \$108 million or 10 percent of the balance of the State Pooled Money Fund. The Act increases the allowable percentage from 10 percent to 25 percent.

One-half of the moneys invested under the program shall be made available to increase the availability of lower cost moneys for purposes of injecting needed capital into small businesses which are 51 percent or more owned, operated, and actively managed by one or more women, minority persons, or persons with disabilities. The remaining one-half of the moneys invested under the program shall be used to support any other eligible applicant under the program.

A certificate of deposit issued by an eligible lending institution to the Treasurer of State under the program may be renewed at the option of the treasurer on an annual basis for a total term not to exceed five years. All participants with certificates of deposit issued prior to July 1, 2006, are subject, for renewal certificates of deposit, to the requirements and terms applicable to the certificates of deposit issued prior to July 1, 2006. Interest from the Linked Investments for Tomorrow Program shall be considered earnings of the General Fund of the State.

HOUSE FILE 2731 - Urban Renewal — Targeted Jobs Withholding Tax Credit

BY COMMITTEE ON WAYS AND MEANS. This Act allows four pilot project cities to assist in funding projects in their urban renewal areas by means of a targeted jobs credit from withholding.

The credit is available to businesses that are or will locate in an urban renewal area. Businesses already located in the state must either create 10 new jobs or make at least \$500,000 in capital investment within the urban renewal area. The credit is 3 percent of the amount of gross wages paid to the employees of the targeted jobs by the business. The credit is paid to the pilot project city to be used to pay for debts incurred or assistance provided by the city for urban renewal projects related to the business in the urban renewal area. Presently, property

tax imposed on the increase in value as a result of the business's arrival is used to provide such financing. The withholding credit is available to each targeted job of the business in the area provided the job's wage is equal to at least the average county wage. A withholding agreement shall be for a period of up to 10 years but may not be entered into after June 30, 2010. A pilot project city must arrange for a match of at least one dollar for each withholding credit dollar it receives. The match is to be used for the business project.

The four pilot project cities are cities with three or more census tracts and include one located in a county that borders Nebraska, one located in a county that borders South Dakota, and two located in counties that border states other than Nebraska or South Dakota. To be eligible to be designated as a pilot project city, a city must apply by October 1, 2006. A pilot project city will lose its status if it does not enter into a withholding tax agreement within a year of being approved as a pilot project city.

If the employer ceases to meet the requirements of the withholding agreement, the agreement shall be terminated and any withholding tax credits for the benefit of the employer shall cease. However, in regard to the number of new jobs that are to be created if the employer has met the number of new jobs to be created pursuant to the withholding agreement and subsequently the number of new jobs falls below the required level, the employer shall not be considered as not meeting the new job requirement until 18 months after the date of the decrease in the number of new jobs created.

[HOUSE FILE 2791](#) - Economic Development — Endow Iowa Tax Credit and County Endowment Fund Changes

BY COMMITTEE ON APPROPRIATIONS. This Act concerns the Endow Iowa Tax Credit and the distribution of gambling tax revenues collected from excursion gambling boats and racetracks.

The Act modifies the distribution of gambling tax revenues from gambling games at excursion gambling boats and racetracks. Current law provides for the allocation of a portion of the gambling tax revenues prior to distribution of the remaining revenues to the General Fund of the State and various infrastructure-related funds. The Act increases the allocation by one-half of 1 percent and directs that the percentage allocated to the County Endowment Fund be increased from one-half of 1 percent to eight-tenths of 1 percent. From the additional increase of two-tenths of 1 percent of tax revenues the Act appropriates \$520,000 to the Department of Cultural Affairs, to be split equally between operational support grants and the Iowa Community Cultural Grant Program. Of the remaining moneys derived from the two-tenths of 1 percent, one-half is appropriated to the Community Development Division of the Department of Economic Development (DED) for regional tourism marketing and one-half shall be credited to the General Fund of the State for the purposes of funding the Endow Iowa Tax Credit.

The Act eliminates the repeal of the Endow Iowa Tax Credit and increases the aggregate amount of tax credits authorized in a calendar year by an amount equal to the amount generated for this purpose from a distribution of gambling tax revenues generated in the prior fiscal year.

The Act amends provisions concerning the County Endowment Fund by providing that eligible county recipients receiving money from the County Endowment Fund shall consider grants for building projects designed to enhance the quality of life within local communities and providing that a charitable organization receiving a grant from the foundation shall approve all expenditures of grant moneys and allow a state audit of grant moneys expenditures. In addition, the Act appropriates \$70,000 to DED each fiscal year for its administrative costs for the Endow Iowa Program from the funds available to be used by the lead philanthropic organization for its administrative costs.

The Act takes effect July 1, 2007.

EDUCATION

- [SENATE FILE 2272](#) - Administration and Regulation of Education and Related Services
- [SENATE FILE 2320](#) - Education — Iowa Studies
- [SENATE FILE 2358](#) - State Board of Regents — Authority and Administration
- [HOUSE FILE 2095](#) - School Finance — Allowable Growth
- [HOUSE FILE 2395](#) - State University Admission Requirements Study
- [HOUSE FILE 2462](#) - Free Textbooks for School District Pupils — Ballot Issue Petition
- [HOUSE FILE 2792](#) - Government Operations, Education Programs, Finance and Taxation, and Parental Rights

RELATED LEGISLATION

- [SENATE FILE 2194](#) - Claims Against Regional Transit
SEE LOCAL GOVERNMENT. This Act authorizes a school board to consolidate a list of allowed claims for publication in the newspaper.
- [SENATE FILE 2251](#) - Healthy Children Task Force
SEE CHILDREN & YOUTH. This Act directs the departments of Education and Public Health to convene a Healthy Children Task Force to assess current policies and statutes affecting the health of children and recommend to the Governor and General Assembly, not later than January 1, 2007, policy and statutory changes to enhance the health and well-being of children. The Act takes effect April 26, 2006.
- [SENATE FILE 2253](#) - Substantive Code Corrections
SEE STATE GOVERNMENT. This Act conforms provisions that specify the annual amount paid for war orphans education aid, clarifies language relating to a workforce and career education program, updates rulemaking language relating to special education reimbursement, updates a citation to federal vocational education enabling legislation, corrects internal references in provisions relating to orders for educational support for children, and eliminates an obsolete future repeal of a community college workforce training and economic development funding provision.
- [SENATE FILE 2267](#) - Operation of Motor Vehicles — Safety — Related Regulation
SEE CRIMINAL LAW, PROCEDURE & CORRECTIONS. This Act requires that a driver education course include instruction about sharing the road with bicycles and motorcycles.
- [SENATE FILE 2273](#) - Miscellaneous Supplemental Appropriations and Financial Regulation
SEE APPROPRIATIONS. This Act provides supplemental appropriations for fiscal year 2005-2006 and includes an appropriation for the repair and restoration of Gilchrist Hall at the University of Northern Iowa.
- [SENATE FILE 2409](#) - Individual Income Taxes — School Tuition Organization Contributions
SEE TAXATION. This Act provides for an individual income tax credit equal to a maximum of 65 percent of the voluntary contributions made to a school tuition organization that is exempt from federal income tax. At least 90 percent of total contributions must be used by the school tuition organization to provide tuition grants to attend nonpublic elementary or secondary schools in the state to students who are

members of households that have total annual incomes of not more than three times the most recently published federal poverty guidelines. The contribution may not be deducted as a charitable deduction for state tax purposes or be designated for the direct benefit of the taxpayer's dependents or any other student designated by the taxpayer. The Act takes effect June 2, 2006, and applies retroactively to tax years beginning on or after January 1, 2006.

[HOUSE FILE 864](#)

- Sales and Use Tax Exemption and Refund — Collaborative Educational Facility Building Materials and Services
SEE TAXATION. This Act provides for a sales and use tax exemption for sales of materials and services furnished pursuant to a written construction contract for the construction of a building and any addition to a building to be used as a collaborative educational facility. If sales or use tax has been paid, a refund of any taxes may be applied for. The refund only applies to sales and use taxes paid on materials and services provided between April 1, 2003, and June 30, 2005.

[HOUSE FILE 2238](#)

- Federal Block Grant Appropriations
SEE APPROPRIATIONS. This Act appropriates federal block grant and other nonstate moneys to state agencies for the federal fiscal year beginning October 1, 2006, and ending September 30, 2007, including funding made available to the state for a number of education programs.

[HOUSE FILE 2459](#)

- Appropriations — Economic Development
SEE APPROPRIATIONS. This Act appropriates moneys from the General Fund of the State to the University of Iowa, the University of Northern Iowa, and Iowa State University.

[HOUSE FILE 2464](#)

- Criminal and Child and Dependent Abuse Record Checks — Nursing Education Programs
SEE HEALTH & SAFETY. This Act authorizes an approved nursing education program to initiate criminal and child and dependent adult abuse record checks of students and prospective students involving the clinical education component of the program.

[HOUSE FILE 2509](#)

- Family Investment Program — Financial Education Component
SEE HUMAN SERVICES. This Act requires financial education to be made available for applicants for and participants in the Family Investment Program.

[HOUSE FILE 2527](#)

- Appropriations — Education
SEE APPROPRIATIONS. This Act appropriates moneys for FY 2006-2007 from the General Fund of the State to the College Student Aid Commission, the Department for the Blind, the Department of Cultural Affairs, the Department of Education, and the State Board of Regents and its institutions, and makes related statutory changes.

[HOUSE FILE 2611](#)

- Conditional Student Fishing Permits
SEE NATURAL RESOURCES & OUTDOOR RECREATION. This Act creates an educational program designed to expose middle and high school students to the sport of fishing. The Act allows the Department of Natural Resources to issue a permit to students 16 years of age and older to fish without a license as part of a school outing.

- [HOUSE FILE 2706](#) - Confidentiality of Charitable Donation Records
SEE CIVIL LAW, PROCEDURE & COURT ADMINISTRATION. This Act establishes an exception to Iowa's Public Records Law for certain records relating to charitable donations made to a foundation acting solely for the support of an institution governed by the State Board of Regents, to a private foundation as defined in Section 509 of the Internal Revenue Code organized for the support of a government body, and to an Endow Iowa qualified community foundation as defined in Code Section 15E.303 organized for the support of a government body. House File 2797 (see Appropriations) subsequently amended this Act to make it applicable to charitable donations made to a foundation acting solely for the support of an institution governed by Code Chapter 260C, "Community Colleges."
- [HOUSE FILE 2734](#) - Appropriations — Health and Human Services
SEE APPROPRIATIONS. This Act relates to and makes appropriations for health and human services for FY 2006-2007 to the departments of Veterans Affairs, Elder Affairs, Public Health, Human Rights, and Human Services, and the Iowa Veterans Home, and includes numerous provisions involving children, including funding for child care programs and training associated with community empowerment areas and early education.
- [HOUSE FILE 2743](#) - Healthy Iowans Tobacco Trust and Tobacco Settlement Trust — Appropriations
SEE APPROPRIATIONS. This Act relates to and makes appropriations from the Healthy Iowans Tobacco Trust for FY 2006-2007. The Act appropriates funding to the Department of Education to establish a competitive grants program to expand the availability of before and after school programs and to the Division of Vocational Rehabilitation Services within the department for a Farmers with Disabilities Program. The Act also appropriates funding to the Iowa Empowerment Fund for deposit in the School Ready Children Grants Account.
- [HOUSE FILE 2764](#) - School District Property Tax Sharing Agreements
SEE TAXATION. This Act allows a school district to enter into an agreement with a contiguous school district to share certain property taxes.
- [HOUSE FILE 2769](#) - Community Empowerment Initiative
SEE CHILDREN & YOUTH. This Act relates to the Community Empowerment Initiative to address the needs of children from birth through age five and their families and includes annual appropriations for the initiative involving early care, health, and education programs for FY 2006-2007 through FY 2008-2009.
- [HOUSE FILE 2782](#) - Appropriations — Infrastructure and Capital Projects
SEE APPROPRIATIONS. Division I of this Act in part appropriates from the Rebuild Iowa Infrastructure Fund to the State Board of Regents for the design and construction of a new university hygienic laboratory at the University of Iowa for FY 2007-2008 and FY 2008-2009. Division IV appropriates funds from the Vertical Infrastructure Fund to the State Board of Regents for vertical infrastructure-related improvements associated with the implementation of recommendations provided in separate consultant reports on bioscience, advanced manufacturing,

and information technology submitted to the Department of Economic Development (DED) in calendar years 2004 and 2005. Division IX provides that the State Board of Regents shall create endowed chair positions using, in part, moneys appropriated to the board for purposes of implementing recommendations provided in separate consultant reports on bioscience, advanced manufacturing, and information technology submitted to DED.

[HOUSE FILE 2797](#) - State and Local Government Financial and Regulatory Matters — Appropriations and Miscellaneous Changes
SEE APPROPRIATIONS. This Act relates to state and local finances by providing for funding of property tax credits and reimbursements, by making, increasing, reducing, and transferring appropriations, providing for salaries and compensation of state employees, providing for fees and penalties, providing tax exemptions, and providing for properly related matters. The Act includes a number of provisions affecting education-related matters.

EDUCATION

[SENATE FILE 2272](#) - Administration and Regulation of Education and Related Services
BY COMMITTEE ON EDUCATION. This Act amends numerous Code sections related to the duties and operations of the State Board of Education, the Department of Education, and local school boards. The Act is divided into two divisions.

Division I — Practitioner, Student, and School-Related Matters

GRADUATION REQUIREMENTS AND DATA REPORTING. Division I establishes a statewide high school graduation requirement, beginning with students in each the 2010-2011 school year graduating class, consisting of four years of English and language arts, three years each of mathematics, science, and social studies. The state board must set a goal of increasing to 80 percent the number of students who have successfully completed the core curriculum recommended by American College Testing, Inc. The state goal is exclusive of students who have special or alternative means for satisfying graduation requirements under individualized educational plans developed for the students. The state board shall require each school district to annually report the percentage of students graduating from high school who complete the core curriculum, and to report how it plans to increase the number of students completing the recommended core curriculum.

School districts and accredited nonpublic schools must report annually, utilizing the definition of graduation rate specified by the National Governors Association, to the department and their local communities data related to their graduation, dropout, and equivalency diploma rates; the percentage of students who are not proficient in reading, mathematics and science upon graduation; and the number of students enrolled in the prior year as juniors who were within four units of meeting the graduation requirements. The department must publish the data in its annual Condition of Education Report. School districts are also required to include in a student's core curriculum plan, developed when the student is in eighth grade, career options, and the student's parents must sign the plan. Community colleges must provide to a school district information available regarding a student who was a resident of the district and who is pursuing or receiving a high school equivalency diploma.

EARLY INTERVENTION BLOCK GRANTS. Division I extends the repeal of the Iowa Early Intervention Block Grant Program to July 1, 2007, and amends the program's provisions to require a school district to submit a report to a parent when their child is reading below grade level. House File 2797 (see Appropriations) extends the statutory appropriation of \$29.25

million from the General Fund of the State to the department for the program through FY 2006-2007.

CHARTER SCHOOLS. The cap limiting state board approval of charter school applications submitted by school districts is increased from 10 to 20, effective June 1, 2006.

SCHOOL DISTRICT FINANCIAL REPORTS AND DISCLOSURE OF LEVIES. At the beginning of the school year, prior to certifying any levy by board approval or submitting a levy for voter approval, the board of directors of a school district must list all outstanding levies by rate, amount, duration, and the applicable levy limitations on an Internet website maintained by the school district. If the district does not maintain or develop a website, it must either distribute or post written copies of the listing at specified locations throughout the district.

Division I also provides for the creation of a financial report by public school districts to facilitate public access to school district financial information. Copies of the report must be posted on a school district's website, or, if a school district does not maintain or develop a website, posted or distributed at specified locations throughout the district.

BOARD OF EDUCATIONAL EXAMINERS

Background Investigations. The Board of Educational Examiners must adopt rules requiring background investigations conducted by the Division of Criminal Investigation of the Department of Public Safety for initial applicants for a license. The board must review the Sex Offender Registry and the Child and Dependent Adult Abuse Registries for information regarding applicants for license renewal, and the board is authorized access to these registries for purposes of issuing, renewing and revoking licenses, certificates and authorizations.

Board Membership. Division I changes the composition of the membership of the board by striking language that requires that the director of the department serve as the chairperson of the board and instead requiring that the director or the director's designee serve as one of the nine licensed practitioners on the board beginning May 1, 2007. Also, the board's two public members must never have held a practitioner's license, and one of the public members must have served on a school board.

Administrative Rules Review. Division I also extends the interval, from annually to once every three years, between successive administrative rules review reports the executive director of the board is required to provide to the chairpersons and ranking members of the standing committees on Education and the Joint Appropriations Subcommittee on Education.

Division II — Education Administration

SHARING INSTRUCTORS AND SERVICES. Public school district services that must be provided to students attending nonpublic schools to the same extent the services are provided to public school students may be provided on the nonpublic school's premises if the lawful custodian of the property permits.

DIVISION OF LIBRARIES AND INFORMATION SERVICES. Division II eliminates developing and adopting long-range plans for the continued improvement of library services from the Division of Libraries and Information Services' responsibilities.

RULES FOR PARTICIPATION IN EXTRACURRICULAR ACTIVITIES. The state board must adopt rules that permit a foreign exchange student who does not meet the residence requirements for participation in extracurricular interscholastic contests or competitions to participate in the contests or competitions immediately if undue influence was not exerted to place the child primarily for athletic purposes. The phrase "inferior to the varsity level," used in describing

sports other than those at the varsity level, is replaced with the phrase "other than the varsity level."

ACTUAL ENROLLMENT DATE. Division II moves the date on which actual enrollment is determined from the third Friday in September to October 1, or the first Monday in October if October 1 falls on a Saturday or Sunday, and amends numerous Code provisions that reference the date.

MODIFIED ALLOWABLE GROWTH REFERENCES AND DROPOUT AND DROPOUT PREVENTION PROGRAMS. Division II replaces the word "additional" with "modified" in relation to certain Code references to allowable growth and requires public school boards that wish to use modified allowable growth for programs for returning dropouts and dropout prevention to submit their requests to the department as a component of their annual comprehensive school improvement plan and to include budget costs with their requests. Boards may submit their requests not later than December 15 of the year preceding the budget year during which the program will be offered. The current deadline for requests is November 1.

HIGH SCHOOL EQUIVALENCY DIPLOMAS. Currently, high school equivalency diplomas must be issued on the basis of satisfactory competence as shown by tests covering the correctness and effectiveness of expression, the interpretation of reading materials in the social studies and natural sciences, interpretation of literary materials, and general mathematical ability. Division II replaces these standards to require that the diplomas be issued on the basis of satisfactory competence as shown by tests covering reading, arts, language arts, writing, mathematics, science, and social studies.

COMMUNITY COLLEGE TUITION FOR NONRESIDENTS. Division II authorizes the director of the department to approve a lower tuition for nonresidents to attend a community college under a reciprocal tuition agreement the community college has with another educational institution in another state. Currently, that authority rests with the state board.

QUALITY INSTRUCTIONAL CENTERS. Division II repeals provisions establishing the Quality Instructional Center Program for the community colleges and makes conforming changes.

NEWLY REORGANIZED AREA EDUCATION AGENCY. School districts are given 10 days to appeal to the state board an area education agency (AEA) board's decision not to allow the school district to join a contiguous or newly reorganized AEA.

SCHOOL DISTRICT PAYMENTS AND SETTLEMENTS. The secretary of a school district or administrator of an AEA may make payments for reasonable and necessary expenses while the school board or AEA board is not in session. Division II strikes a requirement that the secretary or administrator deliver or mail payments when the board is not in session. A school district's treasurer must furnish the board with a statement showing each depository balance, though it need not be a sworn statement.

PURPOSES FOR MONEYS FROM SCHOOLHOUSES AND SITES SOLD. Moneys received from the sale of school sites which are deposited in the Physical Plant and Equipment Levy (PPEL) Fund may be used for the same purposes for which revenues from the PPEL levies may be used.

EXTENDED SCHOOL PROGRAMS — EVENING AND PART-TIME SCHOOLS REPEAL. Division II repeals a provision authorizing school districts to voluntarily establish extended school programs for residents of the school district who are over 21 years of age, do not possess a high school diploma or a high school equivalency diploma, and are enrolled in an education program in the district. Division II also repeals Code chapters which require school districts to establish an evening school when 10 or more persons over age 16 express a desire for instruction at an evening school for not less than two hours each evening for at least two

evenings each week for not less than three months of each school year, and which require cities with a population of 12,000 or more to establish and maintain part-time schools when 15 or more children residing in the district who are between 14 and 16 years of age cease to attend the full-time day school.

OPEN ENROLLMENT CHANGES. A resident district that believes a receiving district is violating the "good cause" provisions of the Open Enrollment Law may, within 15 days of the receiving board's decision, appeal the receiving district's board action to the director of the department. The director shall attempt to mediate the dispute. If mediation fails, the director shall conduct a hearing and within 10 days following the hearing shall render a decision upholding or reversing the decision by the board of the receiving district. The director's decision may be appealed to the state board. Also, if a request to transfer is due to factors listed in statute and the child who is the subject of the request is enrolled in grades K-12 at the time of the request and is not currently using any provision of open enrollment, the parent or guardian of the child may have the child remain in the child's original district of residence with no interruption in the child's educational program.

SCHOOL BUS DRIVERS. Division II eliminates a provision requiring school bus drivers to present a certificate of physical fitness each year before being permitted to operate any vehicles transporting children to and from school. Language related to whether or not the school bus driver is under contract is eliminated from a provision establishing the grounds for the immediate suspension from duties, pending a termination hearing by the public school board. Division II also expands the department's options when a school bus driver is found to have violated certain Code provisions by allowing the department to take adverse action, which may include a reprimand or warning rather than an immediate suspension.

FENCING NEAR SCHOOL GROUNDS. Division II repeals a provision requiring school boards to maintain a lawful fence between school grounds and adjoining lands, but continues to prohibit the use of barbed wire when fencing school grounds.

BUILDING CODES. A school district that uses local sales and services tax moneys for school infrastructure shall comply with the State Building Code in the absence of a local building code.

STATE UNIVERSITY RESEARCH TRIANGLE DELAY. The effective date of a Code section enacted in 2005 directing the State Board of Regents to establish a research triangle is extended to July 1, 2007.

[SENATE FILE 2320](#) - Education — Iowa Studies

BY COMMITTEE ON EDUCATION. This Act establishes the General Assembly's findings with regard to the need for Iowa's students to develop an appreciation for the state through the study of Iowa's history, government, and distinguished record of civic activities and contributions. The Act requires the Department of Cultural Affairs to develop an Iowa Studies Professional Development Plan that includes a professional development curriculum, supporting materials, and training measures to provide Iowa's teachers with effective ways to infuse Iowa studies into their secondary school classrooms.

The Act requires the director of the department to establish an Iowa Studies Committee to work to inform Iowa's school districts, accredited nonpublic schools, and area education agencies (AEAs) of the plan, develop partnerships to support and promote Iowa studies statewide, establish evaluation criteria and evaluate the plan, and develop a strategy for the implementation of the plan and curriculum in a limited number of schools and AEAs across the state.

The committee is directed to submit an annual status report on the utilization of the plan and, by January 15, 2010, submit a final report to the chairpersons and ranking members of the standing committees on Education.

The Act is repealed July 1, 2010.

[SENATE FILE 2358](#) - State Board of Regents — Authority and Administration
BY COMMITTEE ON EDUCATION. This Act provides for modifications relating to the administration of institutions under the control of the State Board of Regents.

The Act allows the board to delegate to each university the power to approve leases.

The Act modifies, for institutions under the control of the board, a general provision requiring state agencies to issue electronic project bid notices for distribution to the targeted small business Internet site if that notice is provided in an electronic format through Internet links.

Current law requires state agencies to notify the Department of Economic Development, on a quarterly basis, of anticipated purchases and procurements designated to satisfy the targeted small business procurement goal. The Act changes the reporting period to annual reporting for institutions under the control of the board.

The Act adds the University of Iowa Hospitals and Clinics to the enumeration of institutions under the governance of the board.

The Act allows the board to file all claims for the actual, necessary expenses in the same manner as claims for similar expenses by state officers, eliminating the role of the Department of Administrative Services.

The Act changes the name of the chief executive officer of the board from executive secretary to executive director.

[HOUSE FILE 2095](#) - School Finance — Allowable Growth
BY COMMITTEE ON EDUCATION. This Act sets the state percent of growth under the State School Foundation Program at 4 percent for the budget year beginning July 1, 2007. The Act is applicable for computing state school foundation aid for the school budget year beginning July 1, 2007.

[HOUSE FILE 2395](#) - State University Admission Requirements Study
BY COMMITTEE ON EDUCATION. This Act directs the State Board of Regents to conduct a study of its admission requirements common to the three state universities, including its policy of admitting Iowa high school graduates who rank in the top 50 percent of their high school graduating classes. The board must report its findings and recommendations to the standing committees on Education by January 8, 2007.

[HOUSE FILE 2462](#) - Free Textbooks for School District Pupils — Ballot Issue Petition
BY COMMITTEE ON EDUCATION. This Act provides that a petition asking the question of providing free textbooks to a school district's pupils submitted to the voters at the next regular school election must be signed by the greater of 100 eligible electors residing in the school district or a number of eligible electors equal to 10 percent of the number of voters in the last preceding regular school election before notice of the proposition is given in the notice of the next regular school election. The Code currently requires the signatures of at least 10 percent of the registered voters in the school district on such a petition.

HOUSE FILE 2792 - Government Operations, Education Programs, Finance and Taxation, and Parental Rights

BY COMMITTEE ON APPROPRIATIONS. This Act relates to government operations and finance, including the funding, operation and appropriations of moneys to the departments of Education (DOE), Management (DOM), and Veterans Affairs (DVA), and the State Board of Regents; school finance; and education standards.

Division I — Student Achievement and Teacher Quality Program

QUALIFIED TEACHER LIBRARIANS. Though Division I requires school districts to have qualified teacher librarians, a school district is considered to be in compliance with the requirement until June 30, 2011, if the district entered into a contract with a media specialist or librarian prior to June 1, 2006, and the person is making annual progress toward earning a teacher librarian endorsement. The district is also in compliance if it entered into a contract with a librarian who holds at least a master's degree in library and information studies. School districts may seek a renewable waiver from the requirement from DOE.

NATIONAL BOARD CERTIFICATION. Division I extends until June 30, 2007, the time by which a teacher may register for National Board for Professional Teaching Standards certification and receive a reimbursement award for the registration fee.

TEACHER DEFINITION AND TECHNICAL CHANGES. Division I changes the definitions of "beginning teacher" to add individuals who hold an intern license, and changes the definition of "teacher" to add teacher librarians so that they qualify for the program.

MINIMUM SALARY CHANGES. Division I sets the minimum salary for a first year beginning teacher at \$25,500, for a first-year beginning career teacher at \$26,500, and for a second-year career teacher at \$27,500. Currently, the Code provides a formula for beginning and career teacher salaries.

EVALUATOR TRAINING CERTIFICATION RENEWAL PROGRAM DEADLINE EXTENSION. Division I delays until July 1, 2007, a requirement that the Director of DOE develop and implement an evaluator training certification renewal program.

PROGRAM APPROPRIATION AND ALLOCATIONS. Division I increases by \$34.75 million the overall appropriation from the General Fund of the State to DOE for the program from FY 2005-2006 to FY 2006-2007, and adds \$35 million for each of the next two fiscal years (FY 2007-2008 and FY 2008-2009). New to the program are allocations for market factor teacher salaries (\$3.39 million for FY 2006-2007, \$7.5 million for FY 2007-2008, and \$10 million for FY 2008-2009) and a Pay-for-Performance Program (to DOM, \$1 million for FY 2006-2007, \$2.5 million for FY 2007-2008, and \$5 million for FY 2008-2009), and a support program for national board certification applicants. From the funds appropriated for the Pay-for-Performance Program, \$150,000 is for distribution to the Institute for Tomorrow's Workforce for its activities.

The appropriation continues funding for salaries and career development purposes to school districts and AEAs, national board certification awards, beginning teacher mentoring and induction programs, the Ambassador to Education, the Evaluator Training Program, and Review Panel and Career Development Program requirements.

MARKET FACTOR TEACHER SALARIES. Funds for market factor teacher salaries are to be distributed to school districts in order to create market factor incentives for classroom teachers in school districts, including improving salaries due to geographic differences, recruitment and retention needs in such areas as hard-to-staff schools, subject-area shortages, or improving the

racial or ethnic diversity on local teaching staffs. The funds are to be distributed in the same manner that program funds for salaries are distributed.

PAY-FOR-PERFORMANCE PROGRAM. Division I establishes a Pay-for-Performance Program and Commission. Beginning July 1, 2007, the commission must initiate demonstration projects in 10 school districts and by July 1, 2008, in 20 additional school districts. The commission must submit a final report to DOE and the standing committees on Education six months after completion of the demonstration programs. The division directs the General Assembly to consider implementing the Pay-for-Performance Program statewide for the 2009-2010 school year.

BEGINNING ADMINISTRATOR MENTORING AND INDUCTION PROGRAM. Division I establishes a standing appropriation of \$250,000 from the General Fund of the State to DOE for a Beginning Administrator Mentoring and Induction Program designed to function much like the Beginning Teacher Mentoring and Induction Program. Each school district's program shall, at a minimum, provide for one year of programming for all beginning administrators. Each school district receives \$1,500 per beginning administrator participating in the program. Of that amount, \$500 per semester shall be awarded to a mentor.

INSTITUTE FOR TOMORROW'S WORKFORCE — IOWA EDUCATION EFFICIENCY AND IMPROVEMENT PLAN. The Institute for Tomorrow's Workforce must develop an Iowa Education Efficiency and Improvement Plan to establish a new educational delivery system for the state. The institute must submit the plan and any recommendations for changes to state law and administrative rules to the General Assembly, the Governor, and DOE by January 15, 2007.

Division II — Education Policy

Division II appropriates \$130,000 for FY 2006-2007 from the General Fund of the State to DOE to assist schools with the implementation of statewide graduation requirements set forth in S.F. 2272. A related provision in Division III requires DOE to survey school districts as to their readiness to implement the requirements, to review Iowa law and administrative rules and policy to determine if changes are necessary, and to report its findings and recommendations in a report to the Senate and House of Representatives standing committees on Education and to the Joint Appropriations Subcommittee on Education by January 1, 2007.

Division III — Miscellaneous Education Provisions

STATE EDUCATIONAL ASSISTANCE — CHILDREN OF DECEASED VETERANS. Division III appropriates \$27,000 for FY 2006-2007 from the General Fund of the State to DVA and directs DVA to provide state educational assistance, upon application, to a child who has lived in the state of Iowa for two years preceding application for assistance, and who is the child of a person who died on or after September 11, 2001, during active federal military service while serving in the armed forces or during active federal military service in the Iowa National Guard or other military component of the United States.

The amount of state educational assistance to a surviving child is limited to \$5,500 annually, or the amount of established financial need, whichever is less, to defray reasonably necessary expenses incident to attendance at a community college or state university. The amount of educational assistance a child can receive over the child's lifetime is limited to \$27,500.

Currently, DVA may expend not more than \$600 per year, or \$3,000 over a surviving child's lifetime, to defray educational expenses incident to attending an educational or training institution of college grade, or in a business or vocational training school with standards approved by DVA. The division retains these provisions for the child of a person who died prior to September 11, 2001, during active federal military service.

COMPUTATION OF TAX. Division III directs DOM to calculate an adjusted additional property tax levy, and a statewide maximum adjusted additional property tax levy rate, on an annual basis. The adjusted additional property tax levy constitutes that portion of the current additional property tax levy imposed pursuant to Code Section 257.4 corresponding to the state cost per pupil multiplied by a school district's weighted enrollment, and then multiplied by 100 percent less the regular program foundation base per pupil percentage as provided in Code Section 257.1. The statewide maximum rate will be calculated taking into account amounts appropriated in the Act in a graduated schedule. The schedule consists of an appropriation of \$6 million for FY 2005-2006, \$12 million for FY 2006-2007, \$18 million for FY 2007-2008, and \$24 million for FY 2008-2009 and succeeding fiscal years. A school district will receive adjusted additional property tax levy aid in an amount equal to the difference between the adjusted additional property tax rate for the district and the statewide maximum rate.

SUPPLEMENTARY WEIGHTING — LIMITED ENGLISH PROFICIENT. Division III extends the duration of supplementary weighting currently available for the instruction of limited English proficient students from three to four years, and allocates \$3.3 million in funding appropriated for general fund school aid purposes for FY 2006-2007 to facilitate adjusting the weighted enrollment of a school district on a prorated basis to reflect this change.

LOCAL OPTION SALES TAX. Division III also provides that sales and services tax money received from a tax imposed by a county pursuant to Code Chapter 423B, the so-called "regular local option sales tax," cannot be expended by or for a school district located in whole or in part in the county unless the county is also imposing a local sales and services tax for school infrastructure purposes pursuant to Code Chapter 423E. Consistent with the repeal date for the Code Chapter 423E tax, this provision is repealed December 31, 2022. The division makes a related change in Code Section 423E.4, providing that a school district which is located in whole or in part in a county that has not previously imposed the local sales and services tax for school infrastructure purposes, and which votes on and approves the tax at a rate of 1 percent on or before July 1, 2008, shall receive an amount equal to its pro rata share of the local sales and services tax receipts as provided in Code Section 423E.3, for a period corresponding to one-half the duration of the tax authorized by the voters. For the second half of the duration of the tax authorized by the voters, local sales and services tax receipts shall be distributed as otherwise applicable, generally subjecting the revenue to a ceiling amount after which it is contributed to a statewide fund according to Code Section 423E.4.

EQUITY IN PROPERTY TAXATION INTERIM STUDY COMMITTEE. The division authorizes the formation of an Equity in Property Taxation Interim Study Committee to review the provisions of Code Chapter 257 and develop one or more proposals that will equalize property tax rates applicable pursuant to the basic school foundation aid formula over a two-year period during the 2006 and 2007 legislative interims. The division specifies that staffing assistance will be provided by DOE, with the assistance of DOM and the Department of Revenue (DOR), and that a report of findings and recommendations, including proposed legislation, will be submitted to the General Assembly no later than January 1, 2008.

The sections of the division relating to the calculation of the adjusted additional property tax levy and the statewide maximum adjusted additional property tax levy, allocating funds for calculation of the statewide maximum adjusted additional property tax levy rate and providing adjusted additional property tax levy aid and making conforming changes, amending Code Sections 423B.7 and 423E.4, and relating to the additional year of limited English proficient supplementary weighting take effect on June 1, 2006.

PARTICIPATION IN AN INSTRUCTIONAL SUPPORT PROGRAM CONTINUATION. Division III also provides that a school district which has participated in an Instructional Support Program approved by its board of directors during FY 2005-2006 may continue to participate in the

board-approved Instructional Support Program for FY 2006-2007, notwithstanding that its board of directors failed to adopt a resolution to participate in the board-approved Instructional Support Program as otherwise required in Code Section 257.18, if two requirements are met. First, the board must have adopted or must adopt the resolution not later than May 15, 2006. The board may adjust its budget to account for the board-approved instructional support program as approved by DOM. Secondly, the board's secretary cannot have received a petition as authorized in Code Section 257.18 asking that an election be called to approve or disapprove the action of the board in adopting the resolution, within 28 days following the adoption of the board's resolution. This part of the division takes effect June 1, 2006.

FOR-PROFIT ACCREDITED PRIVATE INSTITUTIONS. A new standing appropriation is established for tuition grants for students attending for-profit accredited private institutions whose students were eligible to receive tuition grants in FY 2003-2004.

BOARD OF EDUCATIONAL EXAMINERS — TEACHER LIBRARIAN REVIEW. The Board of Educational Examiners must review the impact of the new teacher librarian requirement enacted in Division I. The board must submit its findings and recommendations in a report to the standing committees on Education by January 1, 2007.

Division IV — State and Local Government Operations

DEPARTMENT OF ADMINISTRATIVE SERVICES. Code Section 8A.108 is amended to authorize the Department of Administrative Services (DAS) to solicit donations and gifts in the form of money or real or other property for specific projects and improvements on or near the Capitol Complex. Prior to such solicitation, DAS is required to notify the Executive Council, DOM, and the Legislative Council. Such a donation or gift may only be conditioned for use in a specific project, and DAS is prohibited from conferring any benefit on or permanently acknowledging the donor unless specifically authorized by the General Assembly and the Governor, or unless otherwise specifically authorized by law. In addition, DAS must report annually, by September 1, to the General Assembly donations, grants, gifts, and contributions with a value of \$1,000 or more.

Code Section 8A.321 is amended to authorize the director of the department to acquire real property by purchase, lease, option, gift, exchange, or otherwise, to be held by DAS in the name of the state.

DEPARTMENT OF ETHICS AND LOBBYING — WORKERS' COMPENSATION DIRECTOR OR DEPUTY DIRECTOR. Code Section 68B.7 is amended to allow a person who has served as the Workers' Compensation Commissioner or a deputy commissioner to represent a claimant in a contested case before the Division of Workers' Compensation after termination of such service, regardless of whether the person charges a contingent fee for the representation, provided such case was not pending during the person's tenure as commissioner or deputy commissioner.

INDIVIDUAL INCOME TAX CHECKOFFS. Code Sections 100B.13 and 314.28 are amended and a new Code Section 422.12G is enacted to provide for an individual income tax return checkoff for the Keep Iowa Beautiful Fund and the Volunteer Fire Fighter Preparedness Fund. Taxpayers filing individual income tax returns will be allowed to designate \$1 or more on the return to be paid jointly to the Keep Iowa Beautiful Fund and the Volunteer Fire Fighter Preparedness Fund. The changes require DOR to annually remit one-half of the moneys collected from the checkoff to each fund. Moneys in the Volunteer Fire Fighter Preparedness Fund are appropriated to the Division of State Fire Marshal of the Department of Public Safety to be used annually to pay the costs of providing volunteer fire fighter training in the state and to pay the costs of providing volunteer fire fighting equipment. Moneys in the Keep Iowa Beautiful Fund are appropriated to the Department of Transportation for the purpose of awarding financial assistance to an

applicant who submits, along with an application, a plan for litter prevention, a plan for improving waste management and recycling efforts, or a plan for a beautification project.

In addition, the checkoff is subject to the limitation on the number of checkoffs allowed on the Iowa individual income tax return and, for that reason, is subject to repeal. New Code Section 422.12G applies retroactively to January 1, 2006, for tax years beginning on or after that date.

GROUNDS FOR TERMINATION OF PARENTAL RIGHTS. Code Section 232.116, relating to termination of parental rights under the Juvenile Justice Code, and Code Section 600A.8, relating to grounds for termination of parental rights, are amended to add new grounds. Termination of parental rights is authorized if a parent has been convicted of a felony offense against a minor as defined in Code Section 692A.1 and the parent is serving a minimum sentence of confinement of at least five years. The felony offenses against a minor under Code Section 692A.1 include kidnapping, false imprisonment, and various sexual offenses.

PROPERTY TAX EXEMPTION FOR LOW-RENT HOUSING. Code Section 427.1, subsection 21A, is rewritten in H.F. 2797 (see Appropriations), and this Act amends the rewritten language to require that a nonprofit organization requesting a property tax exemption for providing low-rent housing for the 2007 and subsequent assessment years file a claim for exemption with the assessor. Upon approval of the claim, further filing is not required. The identical language, added by H.F. 2794 (see Taxation), is not necessary and is repealed by this Act.

DISTRIBUTION OF COURT REVENUE. Code Section 602.8108 is amended to increase the allocation from judicial collections to the Attorney General for legal services for persons in poverty grants from \$300,000 to \$450,000.

SUSTAINABLE NATURAL RESOURCE FUNDING STUDY COMMITTEE MEMBERSHIP. The membership of the Sustainable Natural Resource Funding Study Committee established in H.F. 2797 is increased by three members who represent the Sierra Club, Izaak Walton League, and state conservation districts.

Division V — Miscellaneous Provisions

Division V amends Code Section 8F.2, enacted by S.F. 2410 (see State Government), which establishes requirements governing any service contract between a governmental entity and an intergovernmental or private entity that involves federal or state funds, to exempt service contracts relative to city utilities from the requirements.

THE GOVERNOR ITEM VETOED THE FOLLOWING:

1. A provision that amended the definition of "teacher" for purposes of the Student Achievement and Teacher Quality Program to clarify that individuals employed by an area education agency who spend a majority of their time delivering instruction to students qualify for the program as teachers.
2. Provisions related to membership on the Pay-for-Performance Commission, staffing for the commission, the system for measuring student achievement to be developed by the commission, a prohibition against individual salary adjustments for teachers who do not demonstrate a satisfactory level of performance under the program, and directing DOE to create a teacher remediation program.
3. A provision adding a ninth member to the College Student Aid Commission to represent for-profit accredited private institutions located in Iowa.

ELECTIONS, ETHICS AND CAMPAIGN FINANCE

- [HOUSE FILE 2050](#) - Elections — Polling Places, Ballots, and Election Registers
- [HOUSE FILE 2051](#) - Voter Registration System
- [HOUSE FILE 2512](#) - Ethics and Campaign Disclosure Board Jurisdiction and Procedure
- [HOUSE FILE 2593](#) - Regulation of State Government Ethics and Lobbying
- [H.J.R. 5](#) - Proposed Constitutional Amendment — Qualification of Electors

RELATED LEGISLATION

- [HOUSE FILE 2240](#) - County Boards of Supervisors — Vacancies
SEE LOCAL GOVERNMENT. This Act provides that if a vacancy in a county board of supervisors office is declared due to physical or mental incapacity and the remaining balance of such office is two and one-half years or more, a special election shall be called to fill the vacancy.
- [HOUSE FILE 2282](#) - City Governance
SEE LOCAL GOVERNMENT. This Act makes changes relating to the election of a mayor in the council-manager-at-large form of city government and to filling vacancies on a city council.
- [HOUSE FILE 2462](#) - Free Textbooks for School District Pupils — Ballot Issue Petition
SEE EDUCATION. This Act provides that a petition asking the question of providing free textbooks to a school district's pupils submitted to the voters at the next regular school election must be signed by the greater of 100 eligible electors residing in the school district or a number of eligible electors equal to 10 percent of the number of voters in the last preceding regular school election before notice of the proposition is given in the notice of the next regular school election.
- [HOUSE FILE 2797](#) - State and Local Government Financial and Regulatory Matters — Appropriations and Miscellaneous Changes
SEE APPROPRIATIONS. This Act relates to state and local finances by providing for funding of property tax credits and reimbursements, by making, increasing, reducing, and transferring appropriations, providing for salaries and compensation of state employees, providing for fees and penalties, providing tax exemptions, and providing for properly related matters. The Act includes a number of provisions affecting ethics and campaign finance matters.

ELECTIONS, ETHICS AND CAMPAIGN FINANCE

[HOUSE FILE 2050](#) - Elections — Polling Places, Ballots, and Election Registers
BY COMMITTEE ON STATE GOVERNMENT. This Act makes changes relating to the conduct of elections.

The Act removes the requirement that a room or area containing a polling place for more than one precinct maintain separate entrances.

On general election ballots the names of candidates for nonpartisan offices shall be drawn by lot by the county commissioner of elections, rather than the board of supervisors. The drawing shall be conducted on the first business day following the deadline for filing candidate nomination certificates or petitions with the county commissioner of elections. If a candidate's

name is removed from the ballot after the position of names has been determined, the order of the remaining names shall not be changed.

A county commissioner of elections may print the affidavit of eligibility on each page of the election register, and the signature of the voter in the register next to the voter's printed name serves as that voter's declaration of eligibility. The State Commissioner of Elections is required to adopt rules providing an alternative method for observers allowed at the polling place to view a listing of those voters who have signed on the election register. The state voter registration system shall be designed to accommodate affidavits and declarations of eligibility being printed and signed on the election register.

The Act takes effect March 1, 2006, and applies to elections held after that date.

HOUSE FILE 2051 - Voter Registration System

BY COMMITTEE ON STATE GOVERNMENT. The federal Help America Vote Act required each state, on or before January 1, 2006, to create, maintain and administer a single, centralized voter registration computerized file that contains the name and registration information of every legally registered voter in the state. Voter registration lists generated by this computerized file are to be the official lists for purposes of conducting elections in the state. In implementing this requirement, state law provides for the state voter registration system to be in place by January 1, 2006, and also provides that, on or after January 1, 2006, a county shall not establish or maintain a voter registration system separate from the state voter registration system. This Act extends to January 1, 2007, the time for this separate system prohibition to take effect.

The Act takes effect March 1, 2006.

HOUSE FILE 2512 - Ethics and Campaign Disclosure Board Jurisdiction and Procedure

BY COMMITTEE ON STATE GOVERNMENT. This Act relates to the jurisdiction of the Iowa Ethics and Campaign Disclosure Board.

Code Section 8.7 was enacted in 2005 and requires all gifts, bequests and grants received by a department or accepted by the Governor on behalf of the state to be reported to the board and the Senate and House standing committees on Government Oversight.

The Act allows the board to administer and establish standards and forms for, investigate and hear complaints relating to, issue advisory opinions relating to, and monitor the reporting of gifts, bequests and grants under Code Section 8.7.

The provisions of the Act relating to the adoption of rules, the development and distribution of forms, the receiving and filing of disclosure information, the use of manuals and educational materials, availability of documents for public inspection, and the issuance of advisory opinions take effect April 7, 2006, and are retroactively applicable to July 1, 2005.

HOUSE FILE 2593 - Regulation of State Government Ethics and Lobbying

BY COMMITTEE ON STATE GOVERNMENT. This Act relates to activities of lobbyists and the ethical conduct of state officials and employees.

The Act prohibits, effective July 1, 2006, an executive branch official or state employee from receiving compensation simultaneously from more than one executive branch agency, unless the official or state employee provides notice to the Iowa Ethics and Campaign Disclosure Board within 20 business days of accepting employment with a second executive branch agency. This provision does not apply to service in the Iowa National Guard or service in the General Assembly.

The Act amends Code Sections 68B.4 and 68B.4B relating to sales by officials, regulatory agency employees, and members of the Office of the Governor. Previously, the Code prohibited the sale of goods and services by such entities under certain situations. The Act adds the leasing of goods and services to these provisions.

The Act amends lobbyist reporting requirements. The Act requires a lobbyist before a state agency or the Office of the Governor to file a report with the board disclosing the lobbyist's clients before the executive branch, contributions made to candidates for state office by the lobbyist during calendar months during the reporting period when the General Assembly is not in session, the recipient of the campaign contributions, and expenditures made by the lobbyist for the purposes of providing the services as a lobbyist.

[HOUSE JOINT RESOLUTION 5](#) - Proposed Constitutional Amendment — Qualification of Electors

BY COMMITTEE ON STATE GOVERNMENT. This Joint Resolution proposes an amendment to the Constitution of the State of Iowa relating to persons who are disqualified from voting or holding elective office. The Joint Resolution removes the words "idiot" and "insane" from the constitutional provision and substitutes the phrase "mentally incompetent to vote."

The Joint Resolution will be referred to the next General Assembly for adoption a second time before being submitted to the electorate for ratification.

ENERGY AND PUBLIC UTILITIES

- [SENATE FILE 2399](#) - Renewable and Wind Energy Tax Credits
- [HOUSE FILE 2361](#) - Energy Conservation Standards for New Residential Construction

RELATED LEGISLATION

- [SENATE FILE 2273](#) - Miscellaneous Supplemental Appropriations and Financial Regulation
SEE APPROPRIATIONS. This Act provides supplemental appropriations for FY 2005-2006 and revises eligibility provisions for the renewable energy tax credit.
- [SENATE FILE 2381](#) - Solid Waste Management — Combustion
SEE ENVIRONMENTAL PROTECTION. This Act relates to combustion of solid waste with energy recovery.
- [SENATE FILE 2390](#) - Sales and Use Tax — Telecommunications Providers — Central Office and Transmission Equipment
SEE TAXATION. This Act exempts from sales and use taxes beginning July 1, 2012, central office equipment and transmission equipment sold or rented for use in transporting communications services by local exchange carriers, competitive local exchange service providers, certain franchised cable television operators, mutual companies, cooperatives, municipal utilities not subject to rate regulation, long distance companies, and commercial mobile radio services. From July 1, 2006, until June 30, 2012, the taxes on such equipment are phased out by means of a refund process where the tax is paid and a refund is applied for. Each year the amount of refund increases.
- [SENATE FILE 2398](#) - Solar Energy Equipment Sales Tax Exemption
SEE TAXATION. This Act exempts from the sales and use taxes the sale of equipment that is primarily used to collect and convert incident solar radiation into thermal, mechanical or electrical energy or the sale of equipment that is primarily used to transform such converted solar energy to a storage point or to a point of use.
- [HOUSE FILE 2238](#) - Federal Block Grant Appropriations
SEE APPROPRIATIONS. This Act appropriates federal block grant and other nonstate moneys to state agencies for the federal fiscal year beginning October 1, 2006, and ending September 30, 2007. The Act includes funding for the Low-Income Home Energy Assistance Program, known as LIHEAP.
- [HOUSE FILE 2541](#) - Department of Natural Resources Duties
SEE ENVIRONMENTAL PROTECTION. This Act eliminates certain duties of the Department of Natural Resources relating to energy efficiency.
- [HOUSE FILE 2734](#) - Appropriations — Health and Human Services
SEE APPROPRIATIONS. This Act relates to and makes appropriations for health and human services for FY 2006-2007 to the state Department of Veterans Affairs, the Iowa Veterans Home, the Department of Elder Affairs, the Iowa Department of Public Health, the Department of Human Rights, and the Department of Human Services, and includes a supplemental appropriation for the Low-Income Home Energy Assistance Program known as LIHEAP and a request for a study of the program.

[HOUSE FILE 2782](#) - Appropriations — Infrastructure and Capital Projects
SEE APPROPRIATIONS. Division XI of this Act includes authority for the Iowa Utilities Board and the Consumer Advocate Division of the Department of Justice to charge for the cost of developing an energy-efficient building to house the two agencies as part of the regulatory fees paid by utilities.

ENERGY AND PUBLIC UTILITIES

[SENATE FILE 2399](#) - Renewable and Wind Energy Tax Credits

BY COMMITTEE ON WAYS AND MEANS. This Act relates to the production and sale of renewable energy and provides for additional tax credits.

Under the wind energy production tax credit of Code Chapter 476B, the Act extends the deadline by which an eligible facility must be placed in service by one year and allows the Iowa Utilities Board to grant an additional 12 months for the facility to be operational if necessary equipment is unavailable. The Act requires the board to accept an executed interconnection agreement with an application for a determination of eligibility. Effective May 30, 2006, a tax credit certificate may be issued to a partner, shareholder, member, equity holder, or beneficiary of the tax credit applicant.

Under the renewable energy tax credit of Code Chapter 476C, the Act allows a refuse conversion facility to qualify as an eligible renewable energy facility. The Act extends the deadline by which a renewable energy facility must be placed into service and provides an additional 12 months for a facility to become operational. The Act grants an additional 90 megawatts of nameplate generating capacity from wind energy conversion systems, 10 megawatts of capacity for other renewable energy facilities, and 167 billion British thermal units of heat for a commercial purpose that is eligible for the renewable energy tax credit. The Act directs the board to maintain a waiting list of facilities and requires owners of facilities on the waiting list to provide an annual verification of eligibility. The Act prohibits an owner with a majority equity interest in an eligible facility from owning more than a 10 percent equity interest in any other eligible facility. Effective May 30, 2006, a tax credit certificate may be issued to a partner, shareholder, member, equity holder, or beneficiary of the tax credit applicant.

The Act clarifies applicability of the Act in transition provisions and requires the board to submit a proposal to conduct a study on the transmission of electricity in Iowa to the Government Oversight Committee by January 1, 2007. The effective date of this section is July 1, 2006.

Except where provided otherwise, the Act takes effect January 1, 2007.

[HOUSE FILE 2361](#) - Energy Conservation Standards for New Residential Construction

BY COMMITTEE ON COMMERCE, REGULATION AND LABOR. This Act relates to energy conservation standards included in the State Building Code for new single-family or two-family residential construction. The Act requires the State Building Code Commissioner to adopt energy conservation requirements based upon a nationally recognized standard or code for energy conservation.

ENVIRONMENTAL PROTECTION

- [SENATE FILE 2319](#) - Littering and Illegal Solid Waste Disposal
- [SENATE FILE 2363](#) - Water Quality Regulation
- [SENATE FILE 2381](#) - Solid Waste Management — Combustion
- [HOUSE FILE 2362](#) - Recycling and Salvage of Motor Vehicles and Vehicle Components
- [HOUSE FILE 2541](#) - Department of Natural Resources Duties

RELATED LEGISLATION

- [SENATE FILE 2076](#) - Manure Management Plans — VETOED BY THE GOVERNOR
SEE AGRICULTURE. This bill would have required the Department of Natural Resources to provide for the receipt and processing of manure management plans, including updates to manure management plans, in an electronic format, and to accept a copy of a written agreement executed between the person who has applied for a permit to construct a manure storage structure and the person renting land for crop production where the manure will be applied.
- [SENATE FILE 2253](#) - Substantive Code Corrections
SEE STATE GOVERNMENT. This Act makes clarifications relating to the disposal of solid waste at municipal solid waste sanitary landfills, makes technical changes in various provisions relating to the establishment of environmental covenants, and makes corrections relating to drainage tile lines and use of alternative technology systems in nutrient management plans for open feedlots. The provision relating to the enactment of the Uniform Environmental Covenants Act takes effect April 7, 2006, and applies retroactively to January 1, 2005.
- [SENATE FILE 2369](#) - Open Feedlot Operations
SEE AGRICULTURE. This Act amends a provision in Code Chapter 459A, which authorizes the Department of Natural Resources to regulate open feedlot operations in accordance with requirements of the U.S. Environmental Protection Agency, by extending the date by which the owner of the open feedlot operation is required to comply with nutrient management plan requirements or obtain an operating permit under the National Pollutant Discharge Elimination System and departmental rules. The Act also allows a person to stockpile settleable solids from open feedlot operations, if the person complies with water quality requirements.
- [SENATE FILE 2377](#) - Regulation of Animal Feedlot Operations — VETOED BY THE GOVERNOR
SEE AGRICULTURE. This bill related to confinement feeding operations and open feedlot operations regulated by the Department of Natural Resources under Code Chapters 459 and 459A, by providing for the approval or disapproval of applications for confinement feeding operation structures, the approval or disapproval of manure management plans associated with confinement feeding operations, the submission and processing of manure management plans in an electronic format, and evaluations of confinement feeding operations and open feedlot operations to determine if they would have been in compliance with state water quality standards.

- [HOUSE FILE 2540](#) - Appropriations — Agriculture and Natural Resources
SEE APPROPRIATIONS. This Act appropriates moneys to support the Department of Natural Resources (DNR) and programs relating to natural resources and outdoor recreation. Moneys are appropriated from the General Fund of the State in order to support the DNR's various divisions and administrative units, and from the General Fund of the State and the Groundwater Protection Fund to the DNR to carry out environmental programs. In addition, the Act appropriates moneys from the Agrichemical Remediation Fund to Iowa State University for purposes of supporting a water quality research project to reduce risks to water quality from open feedlot effluent. The Act provides for the National Pollutant Discharge Elimination System by establishing a fund and providing for the issuance of permits as provided by the DNR rules, the assessment and collection of fees, and the deposit of fees into the fund.
- [HOUSE FILE 2633](#) - Waste Glass Recycling — Tax Exemption
SEE TAXATION. This Act adds waste glass to the list of items converted by recycling property for which an exemption from property taxes may be claimed.
- [HOUSE FILE 2679](#) - Agricultural Drainage Well and Water Quality Practices
SEE AGRICULTURE. This Act amends provisions of Code Chapter 460, which provides for the closing of agricultural drainage wells with state financial assistance from a trust fund administered by the Soil Conservation Division of the Department of Agriculture and Land Stewardship. The Act amends provisions of the Code chapter which establishes the fund and a cost-share program, in part to conform with current practice and also to expand the program.
- [HOUSE FILE 2754](#) - Regulation of Renewable Fuels and Energy
SEE AGRICULTURE. This Act provides for the regulation and promotion of biofuel (ethanol, which is grain alcohol commonly derived from corn, and biodiesel, which is oil commonly derived from soybeans) and for renewable fuel, which is petroleum-based motor fuel blended with a biofuel, which is either gasoline blended with ethanol to produce ethanol blended gasoline or diesel fuel blended with biodiesel to produce biodiesel blended fuel. The Act, in part, provides that a retail dealer may use gasoline infrastructure to store and dispense E-85 gasoline if the Department of Natural Resources and the State Fire Marshal determine that the infrastructure is compatible with the E-85 gasoline.

ENVIRONMENTAL PROTECTION

- [SENATE FILE 2319](#) - Littering and Illegal Solid Waste Disposal
BY COMMITTEE ON NATURAL RESOURCES AND ENVIRONMENT. This Act relates to littering and illegal discarding of solid waste, increases fines and penalties, and makes appropriations.

The Act increases the maximum civil penalty for the illegal discarding of solid waste from \$500 to \$1,000, increases the scheduled fine for littering and placing debris on public highways from \$35 to \$70, and increases the scheduled fine for littering in a state park or preserve from \$15 to \$30.

The civil penalties attributable to illegal discarding of solid waste shall be deposited in the General Fund of the State, with 50 percent of the moneys appropriated to the Department of Transportation (DOT) for purposes of the cleanup of litter and illegally discarded solid waste and the remaining 50 percent to be deposited in the general fund of the county in which the violation occurred to be used exclusively for the cleanup and prevention of illegal dumping.

Fifty percent of fines attributable to littering shall be deposited in the General Fund of the State and shall be appropriated to DOT for purposes of the cleanup of litter and illegally discarded solid waste.

SENATE FILE 2363 - Water Quality Regulation

BY COMMITTEE ON NATURAL RESOURCES AND ENVIRONMENT. This Act relates to water quality standards.

The Act provides that a water of the state shall be a designated stream segment when one of three criteria is met. The criteria include the meeting of certain flow rates, whether the water is a critical habitat of a threatened or endangered aquatic specie, or credible data supports that certain low water flows provide a refuge for certain aquatic life. All waters of the state not designated as a stream segment shall be identified as a general stream segment and be subject to narrative water quality standards.

The Act requires the Environmental Protection Commission (EPC) to adopt rules to define designated uses of stream segments. The Act provides categories, including agricultural water supply use, aquatic life support, domestic water supply, food procurement use, industrial water supply use, recreational use, and seasonal use.

The Act requires the EPC to adopt rules designating water quality standards specific to each designated use, and requires the appropriate level of protection and standards to be determined on a scientific basis. The Act requires input from a water quality standards advisory committee during the development process.

Prior to any changes in a national pollutant discharge elimination system permit effluent limitation based upon a new use designation, the Department of Natural Resources (DNR) shall conduct a use attainability analysis. A designated use, which is not an existing use, may be removed due to certain existing circumstances listed in the Act. The Act provides circumstances under which designated uses shall not be removed. Where existing water quality standards specify designated uses less than those which are presently being attained, the EPC is required to revise standards to reflect the uses actually being attained.

The Act requires the DNR to consider the substantial and widespread economic and social impact that may occur as a result of a designation. The Act requires an analysis to examine whether the regulated entity would face substantial financial impacts due to the costs of compliance and whether the affected community would bear significant adverse impacts. The DNR may grant a regulated entity a variance from meeting a water quality standard if it is determined that the regulated entity or the affected community would suffer substantial and widespread economic and social impact. The Act requires the DNR to ensure that the conditions of any discharge permit variance represent reasonable progress toward complying with water quality standards but do not result in substantial and widespread economic and social impact.

A regulated entity may use an alternative technology system to meet water quality standards for either technology-based or water quality-based effluent limits. The Act requires assistance from a technical advisory committee to assist in the development of rules to allow for the use of appropriate alternative technologies. The Act requires the EPC to adopt rules for a review

and approval process for standardized treatment systems, and expedited technical reviews for projects that meet the design standards.

The Act requires all new or revised stream segment use designations to be adopted by rule.

By December 31, 2006, the DNR shall publish a list of all designated stream segments that receive a permitted discharge for which a use attainability analysis for recreational use and aquatic life use has not been completed and a list of all designated stream segments that receive a permitted discharge for which a use attainability analysis for recreational use and aquatic life use has been completed and whether a recreational or aquatic life use has been determined to be attainable. By December 31, 2007, a use attainability analysis shall be completed for all newly designated stream segments that receive a permitted discharge.

The Act requires the DNR, upon request, to complete a use attainability analysis for recreational and aquatic uses on any designated stream segment not receiving a permitted discharge or on any previously designated stream segment in accordance with certain procedures. The Act provides an appeal process.

The Act provides for the continuation of operation permits scheduled to expire before a use attainability analysis is performed.

The Act establishes a Watershed Quality Planning Task Force to report to the General Assembly recommendations for a voluntary statewide water quality program designed to achieve improving water quality and optimizing the costs of voluntarily achieving and maintaining water quality standards; creating economic incentives for voluntary reductions; facilitating the implementation of total maximum daily loads, urban stormwater control programs, and nonpoint source management practices required or authorized under the federal Water Pollution Control Act; providing incentives for the development of new and more accurate and reliable pollution control quantification protocols and procedures; and providing greater flexibility through community-based, nonregulatory, and performance-driven watershed management planning.

The Act requires the Department of Economic Development to establish and administer a Wastewater Treatment Financial Assistance Program. This provision was substantially amended in H.F. 2782 (see Appropriations).

[SENATE FILE 2381](#) - Solid Waste Management — Combustion

BY COMMITTEE ON NATURAL RESOURCES AND ENVIRONMENT. This Act relates to combustion of solid waste with energy recovery.

In the state's waste management hierarchy, the Act places combustion with energy recovery as a higher preference above other approved techniques of solid waste management, including but not limited to combustion for waste disposal and disposal in sanitary landfills.

Previously, facilities that employed combustion of solid waste with energy recovery and refuse-derived fuel, which were included in an approved comprehensive plan, and which were in operation prior to July 1, 1989, could include these processes in the definition of "recycling" for the purpose of meeting solid waste reduction goals if certain criteria were met. The Act eliminates the requirement that such facilities must have been in operation prior to July 1, 1989.

[HOUSE FILE 2362](#) - Recycling and Salvage of Motor Vehicles and Vehicle Components

BY COMMITTEE ON TRANSPORTATION. Division I of this Act relates to the removal, collection and recovery of mercury-added vehicle switches.

Within 90 days of July 1, 2006, each manufacturer of vehicles sold in this state shall, individually or as part of a group, develop and publish a plan for a system to remove, collect and recover mercury-added switches from end-of-life vehicles that were manufactured by the manufacturer. The manufacturer shall implement the system within 90 days of publication of the plan. The system shall include, at a minimum, educational materials; a method for implementing, operating, maintaining, and monitoring the system, including the possible use of third-party contractors; information about the manufacturer's vehicles containing mercury-added switches and the location, description, and methods for removal of the switches; methods for transportation of mercury-added switches to permitted facilities, for recycling of the switches, and for payment of the related costs; a method for tracking participation and for publishing information about the progress of the mercury-added switch collection; and a database of participating recyclers. The manufacturer's system shall include publication of a description of actions to be taken in the event the target capture rate of 90 percent is not met. The program shall not require removal of inaccessible mercury-added switches from end-of-life vehicles with significant damage in the area of the vehicle surrounding the switch location. Otherwise, all accessible mercury-added switches are expected to be recovered.

The Act requires the Environmental Protection Commission to adopt rules and, on July 1, 2020, to cease enforcement of the removal, collection and recovery portion of the Act. On or before July 1, 2020, the commission is required to review the removal, collection and recovery provisions of the Act and submit a recommendation to the General Assembly regarding the necessity of continuing the enforcement of such provisions.

To the extent practicable, a manufacturer is required to utilize existing end-of-life vehicle recycling infrastructure for the removal, collection and recovery of mercury-added switches. The total cost of the removal, collection and recovery system shall be borne by the manufacturer. Labor to remove mercury-added switches shall be reimbursed at a minimum rate of \$4 per mercury-added switch, or \$5 per switch if the vehicle identification number is required for reimbursement.

A person who sells, gives, or otherwise conveys ownership of an end-of-life vehicle to the scrap recycling facility for recycling shall remove all mercury-added switches from such end-of-life vehicle prior to delivery of the vehicle to a scrap recycling facility unless the mercury-added switch is inaccessible due to significant damage to the end-of-life vehicle in the area where the mercury-added switch is located.

The Act provides for public notification of the manufacturers' plan or plans for a system to remove, collect and recover mercury-added switches from end-of-life vehicles in an electronic format and by publication of all related plans, information, reports, and educational materials in at least two different types of media. One year after the implementation of a removal, collection and recovery system, and annually thereafter, a manufacturer implementing such a system shall report to the department concerning the performance under the manufacturer's plan.

By July 1, 2007, the state shall revise its policies, rules and procedures for the procurement of vehicles to give priority and preference to the purchase of vehicles free of mercury-added components, taking into consideration competition, price, availability, and performance.

Except as expressly provided, compliance with the Act shall not exempt a person from compliance with any other law. The Act provides for the future repeal of its codified provisions if a national program for the removal, collection and recovery of mercury-added switches is developed and implemented with the cooperation and approval of the U.S. Environmental Protection Agency. However, such a national program must include a mercury-added switch capture rate that meets or exceeds the state requirement and a funding mechanism that relies on program participants or federal moneys.

Division II of the Act relates to reassignment of a salvage certificate of title for a motor vehicle.

Under existing law, a motor vehicle dealer or recycler who accepts assignment of title for a wrecked or salvage motor vehicle has to apply to the county treasurer and pay a \$2 fee for issuance of a new salvage certificate of title prior to transferring ownership of the vehicle to another party. The Act permits the dealer or recycler to reassign the salvage title to another dealer or recycler, or to any other person, without first obtaining a new salvage certificate of title.

[HOUSE FILE 2541](#) - Department of Natural Resources Duties

BY COMMITTEE ON ENVIRONMENTAL PROTECTION. This Act eliminates certain duties of the Department of Natural Resources.

The Act eliminates certain material standards for polyvinyl chloride pipe for purposes of planning and specifications for the construction of sewer systems and water supply distribution systems and extensions to such systems.

The Act eliminates the department's duty to develop comprehensive plans and programs for the state for the management of hazardous waste. The Act eliminates the department director's duty to compile, annually, a list of certain hazardous wastes. The Act eliminates the department's duty to develop and implement programs which result in widespread adoption of waste minimization programs by hazardous waste generators.

The Act eliminates the department's duty to establish a statewide building energy efficiency rating system.

The Act eliminates the department's duty to establish policy for, provide for the proper methods for, and issue permits for the transportation, storage, handling, and disposal of radioactive material for the purpose of protecting the public health and safety.

The Act repeals Code Section 455B.220, relating to the requirements for certification without examination of operators of water treatment plants and water distribution systems. As a result, all operators are required to take an examination for certification.

GAMING

[SENATE FILE 2330](#) - Iowa Lottery — Monitor Vending Machines

RELATED LEGISLATION

[HOUSE FILE 2791](#) - Economic Development — Endow Iowa Tax Credit and County Endowment Fund Changes
SEE ECONOMIC DEVELOPMENT. This Act concerns the Endow Iowa Tax Credit and the distribution of gambling tax revenues collected from excursion gambling boats and racetracks. The Act modifies the distribution of gambling tax revenues from gambling games at excursion gambling boats and racetracks by increasing the percentage deposited in the County Endowment Fund from one-half of 1 percent of tax revenues to eight-tenths of 1 percent and provides an additional two-tenths of 1 percent of tax revenues to the Department of Cultural Affairs, the Community Development Division of the Department of Economic Development for regional tourism marketing, and to the General Fund of the State for the purposes of funding the Endow Iowa Tax Credit. The Act takes effect July 1, 2007.

GAMING

[SENATE FILE 2330](#) - Iowa Lottery — Monitor Vending Machines

BY COMMITTEE ON STATE GOVERNMENT. This Act prohibits the Iowa Lottery Authority from allowing retailers to offer monitor vending machines (TouchPlay machines) to the public. The Act, including the prohibition on machines, takes effect March 20, 2006, but retailers who acquired a monitor vending machine prior to that date may continue to offer the machine to the public through May 3, 2006. On or after May 4, 2006, monitor vending machines are no longer permitted.

If revenues are derived from monitor vending machines on or after May 4, 2006, an excise tax shall be imposed on any net monitor vending machine revenue receipts generated at the rate of 65 percent.

HEALTH AND SAFETY

- [SENATE FILE 2124](#) - Obesity Prevention Grant Program
- [SENATE FILE 2318](#) - Emergency Medical Care Providers — Certification
- [SENATE FILE 2322](#) - Communicable and Infectious Diseases and Public Health Disasters — Notification, Investigation, and Control
- [HOUSE FILE 722](#) - Drug Prescribing and Dispensing Information Program
- [HOUSE FILE 2319](#) - Medical Assistance Program — Personal Needs Allowance
- [HOUSE FILE 2331](#) - Physician Assistance Prescribing Authority
- [HOUSE FILE 2363](#) - Veterans Benefits — Health Care Facilities
- [HOUSE FILE 2464](#) - Criminal and Child and Dependent Abuse Record Checks — Nursing Education Programs
- [HOUSE FILE 2493](#) - Viral Hepatitis Program — Study
- [HOUSE FILE 2588](#) - Licensed Health Care Facility Employees — Criminal and Abuse Records
- [HOUSE FILE 2748](#) - Public Health Licensing Boards — Duties and Fees
- [HOUSE FILE 2768](#) - State Medical Examiner — Fees

RELATED LEGISLATION

- [SENATE FILE 2217](#) - Health and Human Services Programs and Procedures
SEE HUMAN SERVICES. This Act relates to health and human services programs and procedures involving compliance with privacy laws applicable to mental health, mental retardation, developmental disabilities, and brain injury services data, Medical Assistance (Medicaid) Program eligibility, creation of an Electronic Health Records System Task Force, foster parent training requirements, young adults transition from foster care, support for young persons with a developmental disability or other special need and the persons' families, and involuntary hospitalization proceedings.
- [SENATE FILE 2251](#) - Healthy Children Task Force
SEE CHILDREN & YOUTH. This Act directs the departments of Education and Public Health to convene a Healthy Children Task Force to assess current policies and statutes affecting the health of children and recommend to the Governor and General Assembly, not later than January 1, 2007, policy and statutory changes to enhance the health and well-being of children. The Act takes effect April 26, 2006.
- [SENATE FILE 2289](#) - Government Vehicle Registration Plates — Off-Site or In-Home Medical or Mental Health Services Providers
SEE TRANSPORTATION. This Act allows the issuance of regular registration plates and eliminates the public agency labeling requirement for publicly owned motor vehicles used by health care and mental health professionals who provide off-site or in-home services.
- [SENATE FILE 2305](#) - Regulation of Wine Production, Labeling, and Distribution
SEE ALCOHOL REGULATION & SUBSTANCE ABUSE. This Act provides that a premises covered by a class "A" or class "B" wine permit is not considered a food processing plant for purposes of Code Chapter 137F,

relating to the inspection of food establishments and food processing plants.

- [SENATE FILE 2363](#) - Water Quality Regulation
SEE ENVIRONMENTAL PROTECTION. This Act relates to water quality standards.
- [HOUSE FILE 540](#) - Traffic Accidents Involving Law Enforcement or Emergency Response Vehicles
SEE TRANSPORTATION. This Act relates to reports of traffic accidents involving certified law enforcement officers or other emergency responders.
- [HOUSE FILE 2002](#) - Senior Living Trust Fund — Appropriations, Reversions, and Transfers
SEE APPROPRIATIONS. This Act increases the standing amount that is required to be appropriated, reverted or transferred to the credit of the Senior Living Trust Fund from \$118 million to \$300 million.
- [HOUSE FILE 2238](#) - Federal Block Grant Appropriations
SEE APPROPRIATIONS. This Act appropriates federal block grant and other nonstate moneys to state agencies for the federal fiscal year beginning October 1, 2006, and ending September 30, 2007. The Act includes funding for maternal and child health, preventive health and health services, substance abuse programs, low-income energy assistance, mental health, child care, social services, and other health and human services-related programs.
- [HOUSE FILE 2347](#) - Medical Assistance — Provider Payment Adjustments and Funding
SEE HUMAN SERVICES. This Act revises the mechanisms to provide funding for the purposes of the Account for Health Care Transformation. The Act also appropriates funds from the Account for Health Care Transformation to the Department of Human Services for payments to the University of Iowa Hospitals and Clinics (see H.F. 2734, Appropriations, for revision of this provision).
- [HOUSE FILE 2492](#) - Mental Retardation Services Costs — State Cases
SEE HUMAN SERVICES. This Act relates to coverage of home and community-based waiver services and other services under the Medical Assistance (Medicaid) Program for persons with mental retardation whose services costs are a state responsibility (often referred to as "state cases"). The Act was approved by the Governor but was subsequently amended by H.F. 2780 (see Appropriations), which provides for counties to assume responsibility for state case services and other support effective October 1, 2006.
- [HOUSE FILE 2541](#) - Department of Natural Resources Duties
SEE ENVIRONMENTAL PROTECTION. This Act eliminates certain duties of the Department of Natural Resources relating to the transportation, storage, handling, and disposal of radioactive material.
- [HOUSE FILE 2571](#) - Criminal Intelligence Assessment and Intelligence Data — Confidentiality and Release
SEE STATE GOVERNMENT. This Act makes an intelligence assessment and intelligence data prepared by the Department of Public Safety a confidential record unless there is a public health and safety threat advisory.

- [HOUSE FILE 2590](#) - Confidential Public Records — Government Security Procedures or Emergency Preparedness Information
SEE CIVIL LAW, PROCEDURE & COURT ADMINISTRATION. This Act establishes a confidentiality exception to the Open Records Law for information concerning security procedures or emergency preparedness information developed and maintained by a government body for the protection of employees, visitors, persons, or property in the care, custody, or under the control of the government body if such disclosure could reasonably be expected to jeopardize such employees, visitors, persons, or property.
- [HOUSE FILE 2697](#) - Prisoners in Municipal Holding Facilities or County Jails — Medical Aid
SEE LOCAL GOVERNMENT. This Act permits a county jail or municipal holding facility to charge a prisoner for any medical aid provided to that prisoner.
- [HOUSE FILE 2716](#) - Reports and Information Relating to Medical Condition and Treatment
SEE CIVIL LAW, PROCEDURE & COURT ADMINISTRATION. This Act relates to civil actions for personal injury or death, including certain evidentiary, reporting, and study information requirements. The Act provides, in part, that the Iowa Healthcare Collaborative may receive, use and publish certain information relating to morbidity or mortality studies under certain circumstances.
- [HOUSE FILE 2734](#) - Appropriations — Health and Human Services
SEE APPROPRIATIONS. This Act relates to and makes appropriations for health and human services for FY 2006-2007 to the state Department of Veterans Affairs, the Iowa Veterans Home, the Department of Elder Affairs, the Iowa Department of Public Health, the Department of Human Rights, and the Department of Human Services, and includes numerous provisions involving health agencies, health programs, and health regulation.
- [HOUSE FILE 2743](#) - Healthy Iowans Tobacco Trust and Tobacco Settlement Trust — Appropriations
SEE APPROPRIATIONS. This Act relates to and makes appropriations from the Healthy Iowans Tobacco Trust for FY 2006-2007, including to the Department of Public Health for the Comprehensive Tobacco Use Prevention and Control Initiative, for smoking cessation and smoking-related disease products, for additional substance abuse treatment under the Substance Abuse Treatment Program, for development of a Healthy Iowans 2010 Plan, for the Automated External Defibrillator Grant Program, for the Center for Congenital and Inherited Disorders, for grants to individual patients who have phenylketonuria, to leverage federal funding through the Ryan White Care Act, and for a grant program to provide substance abuse prevention programming for children.
- [HOUSE FILE 2769](#) - Community Empowerment Initiative
SEE CHILDREN & YOUTH. This Act relates to the Community Empowerment Initiative to address the needs of children from birth through age five and their families and includes annual appropriations for the initiative involving early care, health, and education programs for FY 2006-2007 through FY 2008-2009.

- [HOUSE FILE 2772](#) - Brain Injury Services Program
SEE HUMAN SERVICES. This Act creates a new Brain Injury Services Program in the Department of Public Health and provides for funding of the program through allocation of a previously enacted appropriation.
- [HOUSE FILE 2780](#) - Mental Health and Disability Services
SEE HUMAN SERVICES. This Act relates to mental health, mental retardation, developmental disabilities, or brain injury (MH/MR/DD/BI) services and other support by addressing purposes and quality standards, establishing basic financial eligibility standards, addressing state and county financial responsibility for the costs of the services and other support, changing the name of the Department of Human Services division responsible for the services and other support, and providing an increase in the reimbursement of certain service providers. The Act further amends language that was enacted in S.F. 2217 (see Human Services) and amended by S.F. 2362 (see Civil Law, Procedure & Court Administration) relating to the qualifications of a professional other than a licensed physician who examines a respondent in a substance abuse involuntary commitment proceeding under Code Chapter 125.
- [HOUSE FILE 2797](#) - State and Local Government Financial and Regulatory Matters — Appropriations and Miscellaneous Changes
SEE APPROPRIATIONS. This Act relates to state and local finances by providing for funding of property tax credits and reimbursements, by making, increasing, reducing, and transferring appropriations, providing for salaries and compensation of state employees, providing for fees and penalties, providing tax exemptions, and providing for properly related matters. The Act includes a number of provisions affecting health and safety matters.

HEALTH AND SAFETY

- [SENATE FILE 2124](#) - Obesity Prevention Grant Program
BY COMMITTEE ON HUMAN RESOURCES. This Act establishes a Nutrition and Physical Activity Community Obesity Prevention Grant Program contingent upon a sufficient amount of funding for the program being received by the Department of Public Health.

The goal of the program is to expand an existing community intervention plan for preventing obesity with nutrition and physical activity approved by the Centers for Disease Control and Prevention of the U.S. Department of Health and Human Services. The program's purpose is to increase the physical activity and fruit and vegetable consumption of targeted youth of elementary school age, with a long-term objective of developing a model program that will support and sustain such healthy behavior and incorporate 60 minutes of physical activity per day for replication by other communities.

The Act directs the department to distribute the grants on a competitive basis to six communities on a regional basis which are not currently participating in an existing intervention plan, and to provide technical assistance regarding program administration to successful specified applicants. The Act provides a list of possible grant criteria involving community and school involvement in specified health-oriented programs, campaigns or endeavors, and provides a contingent effective date relating to the receipt of funding by the department.

SENATE FILE 2318 - Emergency Medical Care Providers — Certification

BY COMMITTEE ON HUMAN RESOURCES. This Act provides that the emergency medical care requirements for training and certification of and exemptions from liability for emergency medical care providers do not apply to a registered member of the National Ski Patrol System, an industrial safety officer, a lifeguard, or a person employed or volunteering in a similar capacity when the person provides on-site emergency medical care at a facility solely to the patrons or employees of that facility, provided that the person provides emergency medical care only within the scope of the person's training and certification and does not claim, indicate or imply to be a certified emergency medical care provider. The Act also provides that the emergency medical care provisions do not apply to the National Ski Patrol System or any similar system in which the system provides on-site emergency medical care at a facility solely to the patrons or employees of that facility, provided that the system does not provide transportation to a hospital or other medical facility and such system does not use any term to indicate or imply authorization to transport patients without having obtained proper authorization to transport patients under the subchapter.

SENATE FILE 2322 - Communicable and Infectious Diseases and Public Health Disasters — Notification, Investigation, and Control

BY COMMITTEE ON HUMAN RESOURCES. This Act concerns efforts to investigate and control communicable and infectious diseases by the Department of Public Health, local boards of health, or local health departments.

The Act modifies current provisions in Code Section 135.145 regarding the sharing of information relating to reportable diseases and other specified conditions or events that may be the cause of a public health disaster, by deleting the word "reportable," thereby broadening the provisions to include other nonreportable diseases. As provided in Code Section 139A.2, a "reportable disease" means any disease designated by rule by the department as requiring its occurrence to be reported to an appropriate authority. The Act also deletes, with respect to a provision that the department provide notification of a disease or health condition, an unusual cluster, or a suspicious event to specified agencies and officials, that the department reasonably believes the object of the report could potentially be caused by bioterrorism or other act of terrorism, providing instead that the object of the report may be the cause of a public health disaster.

The Act provides for a new category or classification of quarantine, defining an "area quarantine" to mean prohibiting ingress and egress to and from a building or buildings, structure or structures, or other definable physical location, or portion thereof, to prevent or contain the spread of a suspected or confirmed quarantin-able disease or to prevent or contain exposure to a suspected or known chemical, biological, radioactive, or other hazardous or toxic agent.

The Act provides, with respect to a report submitted by a health care provider or public, private, or hospital clinical laboratory attending a person infected with a reportable disease to the department, that along with filing the report, a release of information or cooperation with an investigation under Code Chapter 139A shall confer immunity from civil or criminal liability, and makes consistent changes regarding the confidentiality of such information.

Health care providers and public, private, or hospital clinical laboratories shall provide the department, a local board, or local health department with all information necessary to conduct an investigation relating to Code Chapter 139A, dealing with communicable and infectious diseases and poisonings, upon the oral or written request of the department, local board, or local department. The Act confers upon the department, local board, or local health department the authority to issue subpoenas for records, reports, or other evidence necessary

to conduct the investigation from persons, facilities and entities pursuant to rules adopted by the department.

The Act authorizes the department and local boards of health to impose and enforce area quarantine restrictions according to rules adopted by the department, and specifies that area quarantine shall be imposed by the least restrictive means necessary to prevent or contain the spread of the suspected or confirmed quarantinable disease or suspected or known hazardous or toxic agent.

HOUSE FILE 722 - Drug Prescribing and Dispensing Information Program

BY COMMITTEE ON HUMAN RESOURCES. This Act establishes an information program by the Board of Pharmacy Examiners, in conjunction with an advisory council created by the Act, for utilization by prescribing practitioners and pharmacists relating to the prescribing and dispensing of specified drugs. The program involves the submission of information relating to the dispensing of designated controlled substances by pharmacies. The information can be accessed by practitioners and pharmacists on a need-to-know basis to improve patient health care by facilitating early identification of patients who may be at risk for addiction, or who may be using, abusing or diverting drugs for unlawful or otherwise unauthorized purposes at risk to themselves and others, or who may be appropriately using controlled substances lawfully prescribed for them but unknown to the practitioner. In establishing the program, the board shall collect, store and disseminate program information consistent with security criteria to be established by rule, including the use of encryption or other security technology, and shall seek any federal waiver necessary to implement the program's provisions.

Each licensed pharmacy that dispenses controlled substances as specified in the Act to patients inside or outside of Iowa, unless specifically excepted by the Act or by rule, must submit information identifying the pharmacy, the patient, the prescriber, the date the prescription was issued and dispensed, whether the prescription dispensed is new or a refill, the drug dispensed, quantity, duration, the serial or prescription number assigned by the pharmacy, type of payment for the prescription, and any other information identified by the board or advisory council by rule. The Act provides for electronic submission of this information in a secure format specified by the board unless the board has granted a waiver and approved an alternate secure format. The information must be submitted in a timely manner unless the board grants an extension. The Act creates exceptions to the submission requirement in the case of a prescriber furnishing, dispensing, supplying, or administering drugs to the prescriber's patient, or in the case of dispensing by a licensed pharmacy for the purposes of inpatient hospital care, inpatient hospice care, or long-term residential facility patient care.

Program information may be provided to a pharmacist or prescriber who requests the information and certifies in a form specified by the board that it is for the purpose of providing medical or pharmaceutical care to a patient of the pharmacist or prescriber, to individuals who request their own program information according to procedures to be established by rule, or pursuant to an order, subpoena, or other means of legal compulsion issued upon a determination of probable cause in the course of a specific investigation of a specific individual. Neither a pharmacist nor a prescriber may delegate program information access to another individual, except for provision to another licensed health care professional in emergency situations where the patient would be placed in greater jeopardy if the prescriber was required to access the information personally. The board shall maintain a record of each person who requests information from the program, and pursuant to rule may use the records to document and report statistical information.

Program information and information contained in the records of requests for such information are privileged and strictly confidential, do not constitute a public record pursuant to Code Chapter 22 except as authorized by the Act, and are not subject to discovery, subpoena, or

other means of legal compulsion for release except as provided by the Act. The information collected shall be retained in the program for four years from the date of dispensing and then destroyed. The Act makes clear that a pharmacist or other dispenser making a report to the program reasonably and in good faith is immune from any civil, criminal or administrative liability, that a pharmacist or prescriber is under no obligation to obtain information about a patient from the program, and that they shall not be liable for obtaining or not obtaining program information. Regarding program fees, the board shall not charge a fee to a pharmacy, pharmacist or prescriber relating to the program, but a fee may be charged for a request for an individual's own program information.

The Act requires the preparation of a report by the board and the advisory council for submission to the General Assembly by January 1, annually. The report shall include but not be limited to information relating to the cost to the state of implementing and maintaining the program, and information from pharmacies, prescribers, the board, the advisory council, and others regarding the benefits or detriments of the program and the board's effectiveness in providing information from the program.

The Act establishes an advisory council to provide oversight to the board and the program and to assist in the coordination of program activities. The council shall consist of eight members appointed by the Governor. Duties of the council include but are not limited to ensuring the confidentiality of the patient, prescriber, and dispensing pharmacist and pharmacy, respecting and preserving the integrity of the patient's treatment relationship with the patient's health care providers, encouraging and facilitating cooperative efforts among health care practitioners and other interested and knowledgeable persons in developing best practices for prescribing and dispensing controlled substances and in educating health care practitioners and patients regarding controlled substance use and abuse, and making recommendations regarding the continued benefits of maintaining the program in relationship to cost and other burdens to the patient, prescriber, pharmacist, and the board. One physician and one pharmacist member of the council shall include in their duties the responsibility for monitoring and ensuring that patient confidentiality, best interests, and civil liberties are at all times protected and preserved during the existence of the program.

The program shall include education initiatives and outreach to consumers, prescribers and pharmacists, and shall also include assistance in identifying substance abuse treatment programs and providers.

The Act establishes a Drug Information Program Fund to be used by the board to fund or assist in funding the program, and authorizes the board to make deposits into the fund from any source, public or private, including grants or contributions of money or other items of value. The Act's provisions are contingent upon the receipt of sufficient funding.

The Act contains a section relating to penalties for prohibited acts. For a knowing failure to comply with the Act's confidentiality requirements, or for delegating access to a prohibited individual, a pharmacist, pharmacy or prescriber shall be subject to disciplinary action by their professional licensing board. A pharmacist or pharmacy that knowingly fails to comply with other requirements specified in the Act shall similarly be subject to disciplinary action by their board. Additionally, a person who intentionally or knowingly accesses, uses or discloses program information in violation of the Act is guilty of a class "D" felony.

The Act provides for the repeal of the program effective June 30, 2009.

The Act takes effect May 31, 2006.

[HOUSE FILE 2319](#) - Medical Assistance Program — Personal Needs Allowance

BY COMMITTEE ON HUMAN RESOURCES. This Act increases the personal needs allowance under the Medical Assistance (Medicaid) Program for individuals in nursing facilities from \$30 to \$50 per month.

[HOUSE FILE 2331](#) - Physician Assistant Prescribing Authority

BY COMMITTEE ON HUMAN RESOURCES. This Act empowers the Physician Assistant Examiners Board to rescind current rules that prohibit a physician assistant from prescribing Schedule II controlled substances which are listed as stimulants.

[HOUSE FILE 2363](#) - Veterans Benefits — Health Care Facilities

BY COMMITTEE ON VETERANS AFFAIRS. This Act mandates that the rules regarding the identifying of residents of health care facilities who are veterans, adopted by the Department of Inspections and Appeals in cooperation with the Department of Human Services, must require the health care facilities to request information from a resident or the resident's personal representative regarding the resident's veteran status and to then report to the Department of Veterans Affairs (DVA) only the names of residents identified as potential veterans along with the names of their spouses and any dependents. Information reported by the health care facilities is to be verified by DVA.

[HOUSE FILE 2464](#) - Criminal and Child and Dependent Abuse Record Checks — Nursing Education Programs

BY COMMITTEE ON HUMAN RESOURCES. This Act authorizes an approved nursing education program to initiate criminal and child and dependent adult abuse record checks of students and prospective students involving the clinical education component of the program.

Code Section 152.5, relating to approval of nursing education programs by the Board of Nursing, is amended to allow the programs to access the Single Contact Registry to request that the Department of Public Safety perform criminal record checks and the Department of Human Services (DHS) perform child and dependent adult abuse record checks on such students. If a student has a criminal record or a record of founded child or dependent adult abuse, the program may request that DHS perform an evaluation to determine whether the record warrants prohibition of the person's involvement in a clinical education component of a nursing program involving children or dependent adults.

DHS is required to report the results of the evaluation to the nursing program. DHS has final authority in determining whether prohibition of the person's involvement in a clinical education component of a nursing program involving children or dependent adults is warranted.

[HOUSE FILE 2493](#) - Viral Hepatitis Program — Study

BY COMMITTEE ON HUMAN RESOURCES. This Act establishes a Viral Hepatitis Program to be administered by the Department of Public Health, contingent upon the appropriation of sufficient funds by the General Assembly. The objective of the program is to distribute information to citizens at increased risk for exposure to viral hepatitis regarding the higher incidence of hepatitis C exposure and infection among these populations, the dangers presented by the disease, and contacts for additional information and referrals. The Act also provides for hepatitis A and hepatitis B vaccinations and hepatitis C testing.

The Act provides for a study to be conducted by the department to provide an epidemiological profile of hepatitis C and assess its impact on the state. The department is required to submit a report to the General Assembly by January 1, 2008, regarding the results of the study, including a status report regarding the development and distribution of the viral hepatitis information, and the results of the vaccination and testing program.

HOUSE FILE 2588 - Licensed Health Care Facility Employees — Criminal and Abuse Records

BY COMMITTEE ON HUMAN RESOURCES. This Act provides an exception in the procedure for criminal and abuse registry checks required of a person employed by a health care facility licensed under Code Chapter 135C. These include residential care facilities, nursing facilities, intermediate care facilities for persons with mental illness, and intermediate care facilities for persons with mental retardation.

The exception is provided to an existing requirement that a person employed by a licensed health care facility who has a criminal record or a record of founded dependent adult and child abuse cannot be employed by a health care facility unless the Department of Human Services performs an evaluation to determine whether prohibition of the person's employment is warranted. The exception applies only if a person employed by a licensed health care facility is hired by another licensee without a lapse in employment and was previously subject to an evaluation that determined that prohibition of the person's employment was not warranted. If the latest record checks do not indicate a crime was committed or a founded abuse record was entered subsequent to that evaluation, the person may commence employment with the other licensee while the department's evaluation of the new record checks is pending.

HOUSE FILE 2748 - Public Health Licensing Boards — Duties and Fees

BY COMMITTEE ON WAYS AND MEANS. This Act provides for the retention of fees imposed and collected by health licensing boards listed in Code Section 147.80, by the Department of Public Health for the Bureau of Professional Licensure, and by the Bureau of Radiological Health pursuant to Code Section 136C.10. The Act also provides for nonreversion of the retained fees to the General Fund of the State. Currently, applicable Code sections provide for the deposit of fees collected by the licensing boards and the bureaus in the General Fund of the State. Code Section 147.82 currently contains some exceptions permitting retention of portions of the fees imposed by specified licensing boards, and specified percentages of fee increases, but the Act deletes these provisions, given that all fees will now be retained by the boards. The Act makes conforming changes consistent with the retention of the fees by the boards. These provisions take effect July 1, 2007.

With reference to FY 2006-2007, the Act provides that moneys appropriated to the boards and bureaus that remain unencumbered or unobligated at the close of the fiscal year, and repayment receipts and fees authorized to be retained, shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

The Act additionally provides that amounts appropriated from fees charged for registering birth certificates in Code Section 144.13A for primary and secondary child abuse prevention programs and for the Center for Congenital and Inherited Disorders Central Registry shall not be transferred, used, obligated, appropriated, or otherwise encumbered. This provision takes effect June 1, 2006.

The Act adds references to the licensure and regulation of hearing aid dispenser examiners and nursing home administrators where applicable in Code Chapter 147, "General Provisions, Health-Related Professions."

HOUSE FILE 2768 - State Medical Examiner — Fees

BY COMMITTEE ON WAYS AND MEANS. This Act provides that the duties of the State Medical Examiner shall include the collection and retention of fees for medical examiner facility expenses and services related to tissue recovery. The fees are appropriated annually for purposes of the State Medical Examiner's Office; shall not be otherwise transferred, used, obligated, or encumbered; and shall not revert to the General Fund of the State at the close of the fiscal year.

HUMAN SERVICES

- [SENATE FILE 2217](#) - Health and Human Services Programs and Procedures
- [HOUSE FILE 2330](#) - Allowed Growth Factor for County Mental Health, Mental Retardation, and Developmental Disabilities Services Funding
- [HOUSE FILE 2332](#) - Child Support
- [HOUSE FILE 2347](#) - Medical Assistance — Provider Payment Adjustments and Funding
- [HOUSE FILE 2492](#) - Mental Retardation Services Costs — State Cases
- [HOUSE FILE 2509](#) - Family Investment Program — Financial Education Component
- [HOUSE FILE 2772](#) - Brain Injury Services Program
- [HOUSE FILE 2780](#) - Mental Health and Disability Services

RELATED LEGISLATION

- [SENATE FILE 2249](#) - Foster Care Provider Rights and Responsibilities
SEE CHILDREN & YOUTH. This Act relates to the rights and responsibilities of a person providing family foster care.
- [SENATE FILE 2253](#) - Substantive Code Corrections
SEE STATE GOVERNMENT. This Act makes changes related to compensation of mental health patient advocates, regulation of elder care facilities, the definition of "dependent adult abuse," mandatory reporters of dependent adult abuse, Medical Assistance Advisory Council responsibilities, and fiduciaries of medical assistance income trusts; and repeals obsolete language providing for a parental involvement plan report.
- [SENATE FILE 2273](#) - Miscellaneous Supplemental Appropriations and Financial Regulation
SEE APPROPRIATIONS. This Act provides supplemental appropriations for fiscal year 2005-2006 and includes a supplemental appropriation for the state Mental Health Institute at Clarinda.
- [SENATE FILE 2290](#) - Legal Expenses Under Adoption Subsidy Program
SEE CIVIL LAW, PROCEDURE & COURT ADMINISTRATION. This Act relates to the limitations on attorney fees and related legal expenses under the adoption subsidy program.
- [SENATE FILE 2341](#) - Mental Health Care at State Psychiatric Hospital
SEE CIVIL LAW, PROCEDURE & COURT ADMINISTRATION. This Act revises procedures for admissions to the State Psychiatric Hospital at the State University of Iowa.
- [SENATE FILE 2362](#) - Involuntary Hospitalization Proceedings
SEE CIVIL LAW, PROCEDURE & COURT ADMINISTRATION. This Act amends portions of the Code relating to involuntary hospitalization proceedings for chronic substance abusers and persons with mental illness.
- [HOUSE FILE 711](#) - Appointment of Chief Juvenile Court Officers
SEE CHILDREN & YOUTH. This Act permits the chief judge of a judicial district to appoint or remove the chief juvenile court officer for cause after consultation with the judges of the judicial district.

- [HOUSE FILE 2002](#) - Senior Living Trust Fund — Appropriations, Reversions, and Transfers
SEE APPROPRIATIONS. This Act increases the standing amount that is required to be appropriated, reverted or transferred to the credit of the Senior Living Trust Fund from \$118 million to \$300 million.
- [HOUSE FILE 2080](#) - Supplemental Appropriations — Veterans Programs
SEE PUBLIC DEFENSE & VETERANS. This Act revises and makes FY 2005-2006 appropriations for veterans' assistance involving the Injured Veterans Grant Program and the Home Ownership Assistance Program.
- [HOUSE FILE 2147](#) - Dependent Adult Abuse — Emergencies — Temporary Conservator
SEE CIVIL LAW, PROCEDURE & COURT ADMINISTRATION. This Act provides for the temporary appointment of a conservator for a dependent adult upon a finding that there is probable cause to believe that the dependent adult is subject to dependent adult abuse that is producing irreparable harm to the physical or financial resources or property of the dependent adult and that the dependent adult lacks capacity to consent to the receipt of services.
- [HOUSE FILE 2171](#) - Conditional Fishing Permits for Certain Supervised Groups
SEE NATURAL RESOURCES & OUTDOOR RECREATION. This Act allows certain supervised groups to fish, without fishing licenses, with a group permit issued by the Department of Natural Resources.
- [HOUSE FILE 2238](#) - Federal Block Grant Appropriations
SEE APPROPRIATIONS. This Act appropriates federal block grant and other nonstate moneys to state agencies for the federal fiscal year beginning October 1, 2006, and ending September 30, 2007. The Act includes funding for maternal and child health, preventive health and health services, substance abuse programs, low-income energy assistance, mental health, child care, social services, and other health and human services-related programs.
- [HOUSE FILE 2319](#) - Medical Assistance Program — Personal Needs Allowance
SEE HEALTH & SAFETY. This Act increases the personal needs allowance under the Medical Assistance (Medicaid) Program for individuals in nursing facilities from \$30 to \$50 per month.
- [HOUSE FILE 2363](#) - Veterans Benefits — Health Care Facilities
SEE HEALTH & SAFETY. This Act relates to the rules relating to the identifying of residents of health care facilities who are veterans and the reporting of the information to the Department of Veterans Affairs.
- [HOUSE FILE 2464](#) - Criminal and Child and Dependent Abuse Record Checks — Nursing Education Programs
SEE HEALTH & SAFETY. This Act authorizes an approved nursing education program to initiate criminal and child and dependent adult abuse record checks of students and prospective students involving the clinical education component of the program.
- [HOUSE FILE 2564](#) - Child Abuse and Unregistered Child Care Homes — Notice to Parents, Guardians, or Custodians
SEE CHILDREN & YOUTH. This Act requires the Department of Human Services to provide notification to parents, guardians and custodians of children receiving child care from an unregistered child care home when it is determined that founded child abuse involving the child care home provider or resident of the child care home has occurred.

- [HOUSE FILE 2565](#) - Electronic State Child Care Assistance Program Payments
SEE CHILDREN & YOUTH. This Act requires the Department of Human Services to implement a system for making State Child Care Assistance Program payments by electronic funds transfer or other electronic means. The system is required to be implemented by July 1, 2007.
- [HOUSE FILE 2567](#) - Multidimensional Treatment Level Foster Care Program
SEE CHILDREN & YOUTH. This Act directs the Department of Human Services to create a Multidimensional Treatment Level Foster Care Program Pilot Project for a two-year period.
- [HOUSE FILE 2588](#) - Licensed Health Care Facility Employees — Criminal and Abuse Records
SEE HEALTH & SAFETY. This Act provides an exception in the procedure for criminal and abuse registry checks required of a person employed by a health care facility licensed under Code Chapter 135C.
- [HOUSE FILE 2644](#) - Human Services Programs and Regulation — Miscellaneous Changes
SEE CHILDREN & YOUTH. This Act relates to the Department of Human Services' technical requirements involving individual development accounts, Family Investment Program limited benefit plans, paternity establishment definitions, and the State Child Care Assistance Program.
- [HOUSE FILE 2672](#) - Termination of Parental Rights Proceedings — Attorney Fees
SEE CIVIL LAW, PROCEDURE & COURT ADMINISTRATION. This Act relates to responsibility for payment of attorney fees in termination of parental rights proceedings and provides an exemption if the person filing the petition for termination of parental rights is a child-placing agency. The Act takes effect April 20, 2006, and is retroactively applicable to March 12, 2004.
- [HOUSE FILE 2697](#) - Prisoners in Municipal Holding Facilities or County Jails — Medical Aid
SEE LOCAL GOVERNMENT. This Act permits a county jail or municipal holding facility to charge a prisoner for any medical aid provided to that prisoner.
- [HOUSE FILE 2734](#) - Appropriations — Health and Human Services
SEE APPROPRIATIONS. This Act relates to and makes appropriations for health and human services for FY 2006-2007 to the state Department of Veterans Affairs, the Iowa Veterans Home, the Department of Elder Affairs, the Iowa Department of Public Health, the Department of Human Rights, and the Department of Human Services (DHS), and includes numerous provisions involving human services and DHS.
- [HOUSE FILE 2742](#) - Probate and Trust Codes — Miscellaneous Provisions
SEE CIVIL LAW, PROCEDURE & COURT ADMINISTRATION. This Act relates to the Iowa Probate and Trust Codes. The Act amends provisions relating to a surviving spouse's eligibility for medical assistance under Code Chapter 249A.
- [HOUSE FILE 2743](#) - Healthy Iowans Tobacco Trust and Tobacco Settlement Trust — Appropriations
SEE APPROPRIATIONS. This Act relates to and makes appropriations from the Healthy Iowans Tobacco Trust for FY 2006-2007, including to the Department of Human Services (DHS) and the Iowa Empowerment Fund. The appropriations to DHS include funding to supplement the

medical assistance appropriation, with a portion of these funds being used to continue the chronic care consortium, for child and family services and adoption subsidy services, for supplementation of the appropriation for the children's health insurance program, and for general administration of health-related programs. The Act also appropriates funding to the Property Tax Relief Fund for assistance to counties with limited county mental health, mental retardation, and developmental disabilities services fund balances to pay reimbursement increases in the same amount as provided in FY 2000-2001 and to the Iowa Empowerment Fund for deposit in the School Ready Children Grants Account.

[HOUSE FILE 2769](#)

- Community Empowerment Initiative
SEE CHILDREN & YOUTH. This Act relates to the Community Empowerment Initiative to address the needs of children from birth through age five and their families and includes annual appropriations for the initiative involving early care, health, and education programs for FY 2006-2007 through FY 2008-2009.

[HOUSE FILE 2794](#)

- Taxes, Tax Policy, and Administration
SEE TAXATION. This Act relates to policy and administrative changes to tax law and related matters and updates the Streamlined Sales and Use Tax Law. Division I provides a sales tax exemption for home and community-based service providers certified to offer Medicaid waiver services.

[HOUSE FILE 2797](#)

- State and Local Government Financial and Regulatory Matters — Appropriations and Miscellaneous Changes
SEE APPROPRIATIONS. This Act relates to state and local finances and includes a number of provisions affecting human services matters.

HUMAN SERVICES

[SENATE FILE 2217](#)

- Health and Human Services Programs and Procedures

BY ADMINISTRATIVE RULES REVIEW COMMITTEE. This Act relates to health and human services programs and procedures involving compliance with privacy laws applicable to mental health, mental retardation, developmental disabilities, and brain injury (MH/MR/DD/BI) services data, Medical Assistance (Medicaid) Program eligibility, creation of an Electronic Health Records System Task Force, foster parent training requirements, young adults transition from foster care, support for young persons with a developmental disability or other special need and the persons' families, and involuntary hospitalization proceedings. The Act is organized into divisions.

Division I — Disability Services Data

Division I requires the Department of Human Services (DHS) to maintain compliance with federal and state privacy laws to ensure the confidentiality and integrity of MH/MR/DD/BI services data addressed in Code Section 225C.6A, relating to redesign of the system for these services. That statute directs the MH/MR/DD/BI Commission to plan, collect and analyze data as necessary to issue cost estimates for serving additional populations and providing core MH/MR/DD/BI services statewide. In addition, existing law requires the commission and DHS to propose a new disability services information technology system. DHS is required to create a client identifier for use in the system, the elements of the identifier are specified, and the

identifiers are required to be used with the data set submitted by counties for FY 2005-2006. The commission is authorized to adopt rules for the system utilizing emergency procedures.

Division II — Medicaid Vehicle Disregard

Division II provides that in determining eligibility for adults under the Families Medical Assistance Program (FMAP)-related coverage, one motor vehicle per household is disregarded.

Division III — Electronic Health Records

Division III requires DHS to establish an Electronic Health Records System Task Force that enables the state to act in a leadership role in developing standards for an electronic health records system. The task force is required to submit quarterly progress reports to the Governor and the General Assembly.

Division IV — Foster Parent Training

Division IV revises the initial 30-hour training requirement for foster parent licensees to allow DHS to waive the requirement. In order for DHS to grant a waiver, the licensee must have completed relevant training or have a combination of completed relevant training and experience and DHS must deem the training or combination to be an acceptable equivalent to all or a portion of the initial licensure training requirement, or the department must find there is other good cause based upon the individual circumstances of the child and the licensee to grant the waiver.

Division V — Preparation for Adult Living Program

Division V revises Code Chapter 234, "Child and Family Services." Current law defines the term "child" to include a person who is age 18 or 19 and is completing a high school diploma or high school equivalency diploma, until such diploma is received. In addition, current law provides authority in Code Section 234.35 for the state to pay for certain types of foster care services provided to certain persons who are age 18 or older. The division establishes a new Preparation for Adult Living Program directed to persons who are "young adults," which is defined, in part, to mean persons who are residents of the state; are age 18, 19 or 20; at the time of becoming age 18, received foster care services paid for by the state; are no longer receiving such foster care services; and meet other qualifications. The purpose of the program is to assist the young adults in making the transition to self-sufficiency.

Code Section 249A.3, allowing DHS to provide Medicaid to certain populations, is amended to include individuals younger than age 21 who were in foster care upon becoming age 18. An income limit of 200 percent of the federal poverty level is required, but resource limitations do not apply.

Division VI — Family Support Subsidy and Comprehensive Family Support Programs

Division VI relates to certain human services programs directed to families with a child with a disability and to persons with a disability.

The division revises provisions involving the Family Support Subsidy Program, repeals the Personal Assistance Services Program, revises the Comprehensive Family Support Program, and revises the name and duties of the Personal Assistance and Family Support Services Council. These provisions are all part of Code Chapter 225C, relating to mental health, mental retardation, developmental disabilities, and brain injury services.

Code Section 225C.38, relating to DHS administration of the Family Support Subsidy Program, is amended to prohibit program eligibility if any of the following apply: the family adopted a special needs child and is receiving an adoption subsidy; a family member receives Medicaid

home and community-based waiver services and lives in a county in which Comprehensive Family Support Program services are available; or a family member receives such waiver services under a consumer choices option. However, the family may request an exception to policy under which DHS may authorize eligibility to continue if exceptional circumstances exist. The department is required to notify affected families participating in the subsidy of the changes in eligibility provisions. Implementation of the provision involving consumer choices is subject to federal approval and DHS is required to notify the Code Editor if that approval is received. The department is directed to utilize any savings realized from the changes for families on the family support subsidy waiting list and for expansion of the Comprehensive Family Support Program.

The children-at-home component of the program is eliminated and replaced with a requirement for DHS to develop a family support center to assist families with the Family Support Subsidy Program and Comprehensive Family Support Program.

Code Section 225C.48 is amended to change the name of the Personal Assistance and Family Support Services Council to the Comprehensive Family Support Council. The membership provisions are revised to include consumers, former consumers, and family members of consumers and former consumers.

Code section 225C.46, relating to the Personal Assistance Services Program, is repealed. The program enrollment was limited to existing enrollees for several years in the annual human services appropriations bill, and no funding for the program was appropriated for FY 2005-2006.

Division VII — Involuntary Hospitalization Proceedings

Division VII addresses certain requirements for the appearance to provide testimony and qualifications of the professional who examines a respondent in a mental illness or substance abuse involuntary hospitalization that were amended in S.F. 2362 (see Civil Law, Procedure & Court Administration). The changes in this division involving the substance abuse involuntary hospitalization proceeding were further amended in H.F. 2780.

HOUSE FILE 2330 - Allowed Growth Factor for County Mental Health, Mental Retardation, and Developmental Disabilities Services Funding

BY COMMITTEE ON HUMAN RESOURCES. This Act revises the distribution provisions for the allowed growth factor adjustment funding for county mental health, mental retardation, and developmental disabilities (MH/MR/DD) services funds under Code Section 331.424A.

Code Section 331.438, relating to the allowed growth factor adjustment funding, planning and payment of the funding, is amended to provide that a county cannot be included in any distribution formula for the allowed growth factor adjustment or receive a payment unless the county levies at least 70 percent of the maximum amount allowed for the county's services fund in the year in which the allowed growth adjustment is payable.

The session law providing the distribution formula for the FY 2005-2006 allowed growth factor adjustment is revised. Existing law provides that if a county has an ending balance percentage in the county MH/MR/DD services fund at the close of FY 2004-2005 that is more than 10 percent but less than 25 percent of the county's gross expenditures from the services fund in that fiscal year, the amount of the allowed growth factor adjustment payment to that county for FY 2005-2006 would be reduced by a withholding factor of 25 percent. The Act changes that withholding factor to 28.043 percent. Existing law authorizes the Department of Human Services to adjust the withholding percentage in order for the overall withholding amount to be achieved. The Act also provides that if a county had an ending balance percentage of more

than 10 but less than 15 percent and qualified for a distribution from the per capita expenditure target pool for FY 2005-2006, the withholding factor is 14.643 percent.

The Act takes effect April 26, 2006, is retroactively applicable to July 1, 2005, and is applicable on and after that date.

HOUSE FILE 2332 - Child Support

BY COMMITTEE ON HUMAN RESOURCES. This Act relates to child support.

The Act provides that data provided to the Department of Human Services (DHS) under the Health Insurance Data Match Program to compare the names of a carrier's insureds with the names of recipients of the Medical Assistance (Medicaid) Program or hawk-i Program is also to be provided to the Child Support Recovery Unit (CSRU). The Act also provides that Code Chapter 556, "Disposition of Unclaimed Property," does not apply to payment received by the Collections Services Center.

The CSRU, when issuing an ex parte income withholding order, shall include the amount of any delinquency and the amount to be withheld in the notice provided to the obligor under the existing Code section relating to provision of notice. Notice of income withholding is to be provided to the obligor and to the payor of income pursuant to existing Code provisions relating to that notice. The Act authorizes the CSRU to modify the amount specified in an income withholding order or notice of income withholding by providing notice to the obligor and the payor of income. These provisions are retroactively applicable to support orders and income withholding orders entered or pending prior to July 1, 2006.

Until such time as DHS amends rules to reflect the changes in the Act, existing rules regarding an amount to be withheld or an amount of a delinquency in an income withholding order are to be interpreted to also mean that the unit may specify such an amount in a notice of income withholding in lieu of an income withholding order, and any existing rule providing a right to contest each new or modified income withholding order through the unit is to be interpreted to also mean a right to contest each notice of income withholding which specifies a new or modified total amount to withhold.

If a payor, with actual knowledge and intent to avoid legal obligation, fails to withhold income or to pay the amounts withheld to the Collections Services Center or the clerk of court, the payor commits a simple misdemeanor for a first offense, and for each subsequent offense the payor commits a serious misdemeanor and is liable for the accumulated amounts which should have been withheld, and for costs, interest, and reasonable attorney fees related to the collection of the amounts.

The substantial change in circumstances criteria for modification of a child, spousal, or medical support order includes, in addition to entry of a dispositional order, the entry of a permanency order in juvenile court pursuant to Code Chapter 232 placing custody or physical care of a child with a party who is obligated to pay support for the child. Court costs and filing fees for a modification filed or ordered under this criterion are waived. This provision applies to permanency orders entered by the juvenile court on or after July 1, 2006.

A person commits nonsupport of the person's child or ward under the age of 18 if the person fails or refuses to provide support for a period longer than one year or in an amount greater than \$5,000. The CSRU is required to submit a report regarding the effectiveness of this provision to the Governor and the General Assembly by January 15, 2007.

HOUSE FILE 2347 - Medical Assistance — Provider Payment Adjustments and Funding

BY COMMITTEE ON HUMAN RESOURCES. This Act revises the mechanisms to provide funding for the purposes of the Account for Health Care Transformation under the IowaCare Program.

Instead of requiring the University of Iowa Hospitals and Clinics (UIHC) to transfer the amount of the increase resulting from hospital payment adjustments during FY 2004-2005 and from supplemental payment adjustments for physician services provided to Medicaid patients during FY 2003-2004 and FY 2004-2005 back to the Department of Human Services (DHS), DHS will pay UIHC and the Carver College of Medicine faculty practice plan a specific amount for each payment adjustment, which UIHC and the Carver College of Medicine faculty practice plan will retain. Once the payment adjustment amounts are paid, the University of Iowa will transfer an amount equal to the amounts appropriated from the General Fund of the State to UIHC for the Indigent Care Program for FY 2003-2004 and FY 2004-2005, from whatever source available, not to exceed a total of \$54,639,129, to the General Fund of the State, and this amount is then appropriated and divided into specified amounts for deposit into the Medical Assistance Account of DHS and into the Account for Health Care Transformation.

Once the transfer of funds by the University of Iowa to the General Fund of the State is made, the supplemental payments made to UIHC and the Carver College of Medicine faculty practice plan by DHS are irrevocable, notwithstanding any subsequent decision by state or federal agencies, and DHS is solely responsible for any repayment or payment of any penalty or fine assessed by any state or federal agency on any party relative to those transactions.

The Act also appropriates funds from the Account for Health Care Transformation to DHS for payments to UIHC (see H.F. 2734, Appropriations, for revision of this provision).

The Act takes effect March 9, 2006, and portions of the Act are retroactively applicable.

[HOUSE FILE 2492](#) - Mental Retardation Services Costs — State Cases

BY COMMITTEE ON HUMAN RESOURCES. This Act relates to coverage of home and community-based waiver services and other services under the Medical Assistance (Medicaid) Program for persons with mental retardation whose services costs are a state responsibility (often referred to as "state cases").

As enacted, the Act amends Code Section 249A.12, regarding state and county responsibilities for funding of services under the Medicaid Program for persons with mental retardation. The Act requires the Department of Human Services to transfer funding from the state cases appropriation as necessary to cover waiver services or other services for which a person with mental retardation is eligible under the Medicaid Program. The Act was approved by the Governor but was subsequently amended by H.F. 2780, which provides for counties to assume responsibility for state case services and other support effective October 1, 2006. As amended by H.F. 2780, if the state case services and other support associated with mental retardation can be covered under the Medicaid Program, those costs are to be paid from the Medicaid Program appropriation.

[HOUSE FILE 2509](#) - Family Investment Program — Financial Education Component

BY COMMITTEE ON HUMAN RESOURCES. This Act requires financial education to be made available for applicants for and participants in the Family Investment Program (FIP). The Promoting Independence and Self-Sufficiency Through Employment Job Opportunities and Basic Skills (PROMISE-JOBS) Program provides the work and training components for the applicants and participants in FIP. The list of the program activities required to be provided under the PROMISE-JOBS program is modified to include financial education.

[HOUSE FILE 2772](#) - Brain Injury Services Program

BY COMMITTEE ON APPROPRIATIONS. This Act creates a new Brain Injury Services Program in the Department of Public Health (DPH) and provides for funding of the program through allocation of a previously enacted appropriation.

The new program will be administered by the division of DPH assigned to administer the Advisory Council on Brain Injuries. The program is not an entitlement and is limited to the extent of the funding provided.

The program has three primary components: a waiver eligible component, a cost-share component, and a resource facilitation component.

The waiver eligible component is for persons with a brain injury who are eligible for the Medical Assistance (Medicaid) Program home and community-based services waiver for persons with brain injury but are on a waiting list because funding is not available to pay the nonfederal share of the costs to remove the person from the waiting list. Under this component, the Brain Injury Services Program may provide the funding for the nonfederal share of the costs so the person may be removed from the waiting list. If a person receives assistance under this component, the person is not eligible for assistance under the cost-share component.

The cost-share component is directed to persons with a brain injury who have either been determined to be ineligible for the brain injury services waiver or who are eligible for the waiver but are on a waiting list and funding was not provided under the waiver eligible component. Eligibility for this component is limited to individuals with a diagnosed brain injury who are willing to pay cost-share under the program and are not receiving services under any Medicaid home and community-based services waiver. The department is required to consider the financial eligibility requirements applicable under the hawk-i Program for providing health coverage for low-income children in establishing the new program's financial eligibility requirements.

Various cost-share requirements are applicable to the cost-share component, including a sliding scale for individual cost-share and state cost-share for the portion not covered by the individual cost-share.

The program's application provisions utilize the application materials of the Medicaid home and community-based brain injury services waiver. An applicant for the program must authorize the Department of Human Services (DHS) to provide the applicant's waiver application materials to the program. If there was not a functional assessment performed under the waiver of the applicant's needs because of the applicant's financial eligibility, the program may provide for the assessment by reimbursing DHS for the assessment.

Service provider and reimbursement provisions include requirements that service providers must be certified to provide services under the brain injury services waiver or have a county contract to provide services and become certified to provide services under the waiver.

The program includes a resource facilitator component to assist individuals with the program and to enhance the service system available to individuals in the state with brain injury. The duties of resource facilitators include linking persons with brain injury to existing services and assisting service providers.

The provisions of a \$2.4 million appropriation made for mental health, mental retardation, and developmental disabilities services allowed growth for fiscal year 2006-2007 in a contingent allocation made for brain injury services are amended. The language is revised to refer to the program created in the Act and to allocate the appropriation to DPH for various purposes associated with the program created in the Act.

HOUSE FILE 2780 - Mental Health and Disability Services

BY COMMITTEE ON APPROPRIATIONS. This Act relates to mental health, mental retardation, developmental disabilities, or brain injury (MH/MR/DD/BI) services and other support by addressing purposes and quality standards, establishing basic financial eligibility standards,

addressing state and county financial responsibility for the costs of the services and other support, changing the name of the Department of Human Services (DHS) division responsible for the services and other support, and providing an increase in the reimbursement of certain service providers. The Act is organized into divisions.

Division I — Purposes and Quality Standards

Code Section 225C.1, relating to legislative findings and purpose, is amended to revise service terminology to incorporate other support provided in addition to services. In addition, legislative intent is modified to state the intent that services and other support are individualized, provided to produce results, flexible, and cost-effective.

Language relating to the qualifications of a professional other than a licensed physician who examines a respondent in a substance abuse involuntary commitment proceeding under Code Chapter 125 that was enacted in S.F. 2217 and amended by S.F. 2362 (see Civil Law, Procedure & Court Administration) is further amended in the Act. The other Acts used the definition of a mental health professional under Code Chapter 229. This Act uses the definition in Code Chapter 228, which requires at least a master's degree in a mental health field, a current Iowa license if practicing in a field covered by an Iowa licensure law, and at least two years of postdegree clinical experience, supervised by another mental health professional. In addition, the person performing the examination may be a certified alcohol and drug counselor certified by a specific nongovernmental certification organization.

Code Section 225C.4, relating to the duties of the administrator of the DHS division responsible for MH/MR/DD/BI services, is amended to expand the duty regarding coordination of disability services to include working to fulfill the duty with the departments of Public Health, Corrections, and Education, and the State Board of Regents. In addition, the administrator is required to work with the MH/MR/DD/BI Commission and the other agencies in developing and implementing a strategic plan for expanding access to qualified mental health workers. An existing duty of the DHS division administrator to establish and maintain a data collection and management system is expanded to require submission of an annual report to the MH/MR/DD/BI Commission regarding changes and trends in the disability services system.

Code Section 225C.6, relating to the duties of the MH/MR/DD/BI Commission, is amended to revise the duty to identify basic disabilities services for planning purposes. The commission is directed to identify disability services outcomes and indicators to support the ability of eligible individuals with a disability to live, learn, work, and recreate in communities chosen by the individuals. The commission's duty includes responsibility for identifying, collecting and analyzing reports on outcomes and indicators at the county and state levels.

Code Sections 225C.27 and 225C.28A, relating to the purpose and service quality standards for "The Bill of Rights and Service Quality Standards of Persons with Mental Retardation, Developmental Disabilities, Brain Injury, or Chronic Mental Illness," are amended. The purpose section is amended to include references to persons with brain injury and to state the purpose of promoting access by each person in the state with mental retardation, a developmental disability, brain injury, or chronic mental illness to effective services and other support and treatment essential for living, working and participating fully in the community. The service quality standards section is amended to provide for treatment, habilitation and program services that are individualized, provided to produce results, flexible, and cost-effective. In addition, a quality standard is added to provide an ongoing process to determine the degree of access to and the effectiveness of the services and other support in achieving the disability services outcomes and indicators identified by the commission.

Code Section 331.439, relating to county eligibility requirements for receiving payment from the state Property Tax Relief Fund and from the allowed growth factor adjustment

appropriation for MH/MR/DD service expenditures, is amended to apply new requirements in county management plans for such services. County management plans are required to address the purposes for such services identified in Code Section 225C.1. Beginning July 1, 2007, the county management plans must describe how the county will provide services and other support that are more individualized, provided to produce results, flexible, and cost-effective and seek to enhance the ability of each individual covered by the plan to live, learn, work, and recreate in communities of the individual's choice.

Code Section 331.439 requirements for counties to submit to DHS an annual management plan review and a triennial strategic plan are amended to require the provision of information regarding county progress in seeking to achieve the new service system purposes and outcomes and indicators for disability services identified by the commission as is required by the Act. The submission date for the annual review is changed from April to December.

Code Section 426B.5, relating to funding pools within the Property Tax Relief Fund, is amended to create a new incentive pool to distribute funding to those counties that show progress toward meeting the new service system purposes identified in the Act. This provision is first applicable for the fiscal year beginning July 1, 2008.

Division II — Financial Eligibility

Division II establishes basic financial eligibility requirements for persons to be eligible to receive MH/MR/DD/BI services under a county management plan.

The MH/MR/DD/BI Commission is required to identify basic financial eligibility standards for disability services, including an income level equal to or less than 150 percent of the federal poverty level, a requirement for a person to apply for federally funded assistance, and resource limitations that are derived from the federal Supplemental Security Income Program limitations.

The Legislative Council is required to establish a study committee for the 2006 legislative interim to review funding formulas for MH/MR/DD services allowed growth funding and the programming available to address the needs of persons in need of the services. In addition to legislators, nonvoting membership is provided for representatives of the Iowa State Association of Counties, DHS, and the MH/MR/DD/BI Commission.

Division III — Central Point of Coordination Process — County of Residence Responsibilities and State Cases

Division III relates to state and county responsibility for mental illness, mental retardation, and developmental disabilities services.

Code Section 331.440, relating to the central point of coordination process utilized by counties for eligibility determination and service authorization, is amended by defining the terms "adult person," "county of residence," "homeless person," and "state case services and other support" for the purposes of that section.

Effective July 1, 2007, if an adult person has legal settlement in another county, the central point of coordination functions are to be performed by the person's county of residence. The person's county of legal settlement is responsible for the costs of the services or other support authorized by the county of residence at the reimbursement rates paid by the county of residence. At the time services or other support are authorized, the county of residence is required to send the county of legal settlement a copy of the authorization notice. If a county would need to amend the county's management plan for MH/MR/DD services in order to implement the change in the central point of coordination process, the county is required to develop and submit projections of the costs for the change. The projections are required to be submitted along with the county's annual cost reports on December 1, 2006.

Effective October 1, 2006, if an adult person has no established county of legal settlement or the legal settlement is unknown so that the person is deemed to be a state case, the person's eligibility and authorization for state case services and other support becomes the responsibility of the person's county of residence. The costs of the services and other support also become the responsibility of the county of residence. The state funding appropriated for state cases is required to be distributed to the counties of residence. The Act establishes a process for DHS and the counties to develop a methodology for the distribution for FY 2006-2007. The process includes a requirement for DHS and the individual counties to analyze the individual county situations regarding state cases by September 1, 2006, and if the analysis indicates the aggregate of costs exceeds a base amount, DHS is to retain the responsibility for state cases for FY 2006-2007 and make recommendations to address the funding shortfall. Otherwise, if the aggregate of the costs is less than the base amount, DHS is required to determine a distribution amount for each county and the determination may be appealed. The excess funds are set aside to address unanticipated or additional costs.

Division IV — Division Name Change

The DHS division assigned to address MH/MR/DD/BI services was reorganized into a larger umbrella division as a cost-saving measure several years ago, but the Code references to this division were not changed. Division IV of the Act renames the Division of Mental Health and Developmental Disabilities the Division of Mental Health and Disability Services. Funding for the costs to reestablish the division is allocated in the health and human services appropriations legislation, H.F. 2734 (see Appropriations).

Division V — Reimbursement Provisions

Division V requires DHS to seek federal approval in order to amend the Medical Assistance (Medicaid) Program state plan as necessary to increase Medicaid reimbursement rates, in addition to any other increase, for the following: inpatient mental health services provided at hospitals, community mental health centers and similar providers of such services, and psychiatrists. The increase is contingent upon receipt of federal approval and limited to the funding made available by amending the DHS contract with the managed care contractor that provides mental health services under Medicaid.

Division VI — State Mandate

Division VI makes inapplicable Code Section 25B.2, which would relieve a political subdivision from complying with a state mandate if funding for the cost of the state mandate is not provided or specified in the Act. Therefore, political subdivisions are required to comply with any state mandate included in the Act.

LABOR AND EMPLOYMENT

[HOUSE FILE 2505](#) - Wage Claim Representation in Receivership or Seizure Actions — Labor Commissioner

[HOUSE FILE 2508](#) - Wage Payment Deposit and Payday Statement Information

RELATED LEGISLATION

[SENATE FILE 2253](#) - Substantive Code Corrections
SEE STATE GOVERNMENT. This Act makes changes regarding the business accelerator's professional staff qualifications; the community empowerment facilitator's title; employment of peace officers by port authorities; compensation of mental health patient advocates; mandatory reporters of dependent adult abuse; the focus of a workforce and career education program; citations to federal vocational education enabling legislation; issuance of restricted certificates for deputy city and county assessors; defenses against penalties levied against tobacco retailers for sales of tobacco products to minors; indemnification of board members, officers, and employees of cooperative associations; limitations on investment adviser representative employment; regulation of interior designers; and disclosure by mediators of conflicts of interest. The provisions relating to the indemnification of board members, officers, and employees of cooperative associations take effect April 7, 2006, and apply retroactively to January 1, 2005.

[HOUSE FILE 2337](#) - Department of Public Safety Organization and Peace Officer Authority
SEE STATE GOVERNMENT. This Act provides that a peace officer of the Department of Public Safety shall not be called upon for service within a municipality involving an industrial dispute unless a threat of imminent violence exists and the Governor approves the use of such officers.

[HOUSE FILE 2459](#) - Appropriations — Economic Development
SEE APPROPRIATIONS. This Act appropriates moneys from the General Fund of the State as well as various other funds to the Department of Workforce Development and the Public Employment Relations Board.

[HOUSE FILE 2507](#) - Labor or Wage Claims in Receivership or Seizure Actions — Priority
SEE BUSINESS, BANKING & INSURANCE. This Act extends the preference given to labor claims when property is seized or placed under receivership to wage claims for work or services provided.

[HOUSE FILE 2588](#) - Licensed Health Care Facility Employees — Criminal and Abuse Records
SEE HEALTH & SAFETY. This Act provides an exception in the procedure for criminal and abuse registry checks required of a person employed by a licensed health care facility.

[HOUSE FILE 2774](#) - City Employee Pensions and Benefits — Employer Contributions
SEE LOCAL GOVERNMENT. This Act allows a city to contribute to pension and related employee benefits for personnel of another city or governmental entity pursuant to certain contracts.

- [HOUSE FILE 2792](#) - Government Operations, Education Programs, Finance and Taxation, and Parental Rights
SEE EDUCATION. Division IV of this Act allows a person who has served as the Workers' Compensation Commissioner or a deputy commissioner to represent a claimant in a contested case before the Division of Workers' Compensation, regardless of whether the person charges a contingent fee, provided the case was not pending during the person's tenure as commissioner or deputy commissioner.

LABOR AND EMPLOYMENT

- [HOUSE FILE 2505](#) - Wage Claim Representation in Receivership or Seizure Actions — Labor Commissioner

BY COMMITTEE ON COMMERCE, REGULATION AND LABOR. This Act authorizes the Labor Commissioner, at the commissioner's discretion, to represent laborers or employees seeking payment for labor or wage claims in pending receivership or seizure actions. The Act is applicable to all labor or wage claims in receivership or seizure actions pending on or after April 6, 2005.

- [HOUSE FILE 2508](#) - Wage Payment Deposit and Payday Statement Information

BY COMMITTEE ON COMMERCE, REGULATION AND LABOR. This Act provides that an employee hired on or after July 1, 2005, may be required to participate in direct deposit of their wages in a financial institution as a condition of employment; provides that if an employer fails to send an employee's wages for direct deposit on or by the regular payday, the employer is liable for the resulting overdrafts; and establishes a limited exception to the statement relating to hours worked, wages, and deductions each employer is required to either send to or provide to an employee or otherwise provide on each regular payday.

An employer need not provide information on hours worked to exempt employees unless the employer has established a policy or practice of paying to or on behalf of these employees overtime, a bonus, or a payment based on hours worked. If the employer has established such a policy or practice, the employer must send or otherwise provide to the employee a statement showing the hours worked by the employee or the payments made to the employee, as applicable.

LOCAL GOVERNMENT

- [SENATE FILE 2087](#) - Sanitary District Trustees — Per Diem
- [SENATE FILE 2194](#) - Claims Against Regional Transit
- [SENATE FILE 2264](#) - County Books and Records — Miscellaneous Changes
- [HOUSE FILE 2177](#) - Real Property — Approval of Subdivision Plat Name or Title
- [HOUSE FILE 2240](#) - County Boards of Supervisors — Vacancies
- [HOUSE FILE 2282](#) - City Governance
- [HOUSE FILE 2351](#) - Eminent Domain — VETOED BY THE GOVERNOR — VETO OVERRIDDEN
- [HOUSE FILE 2654](#) - County Treasurer Duties, Motor Vehicle Regulation, and Public Nuisance Tax Sales
- [HOUSE FILE 2665](#) - Volunteer Emergency Service Provider Death Benefit
- [HOUSE FILE 2697](#) - Prisoners in Municipal Holding Facilities or County Jails — Medical Aid
- [HOUSE FILE 2774](#) - City Employee Pensions and Benefits — Employer Contributions
- [HOUSE FILE 2777](#) - Urban Renewal — Certifications of Amounts of Loans, Advances, Indebtedness, or Bonds

RELATED LEGISLATION

- [SENATE FILE 2147](#) - Enterprise Zones — Eligible Businesses — Location
SEE ECONOMIC DEVELOPMENT. This Act provides that a business may be an eligible business under the Enterprise Zone Program if the business is partially located in an enterprise zone. If the business is only partially located in an enterprise zone, it must be located on contiguous land. The Act takes effect March 22, 2006.
- [SENATE FILE 2183](#) - Enterprise Zones — Miscellaneous Changes
SEE ECONOMIC DEVELOPMENT. This Act relates to the certification of enterprise zones and incentives and assistance under the Enterprise Zone Program.
- [SENATE FILE 2217](#) - Health and Human Services Programs and Procedures
SEE HUMAN SERVICES. This Act relates to health and human services programs and procedures involving compliance with privacy laws applicable to mental health, mental retardation, developmental disabilities, and brain injury services data collected by counties, Medical Assistance (Medicaid) Program eligibility, creation of an Electronic Health Records System Task Force, foster parent training requirements, young adults transition from foster care, support for young persons with a developmental disability or other special need and the persons' families, and involuntary hospitalization proceedings.
- [SENATE FILE 2219](#) - Human Trafficking
SEE CRIMINAL LAW, PROCEDURE & CORRECTIONS. This Act relates to the creation of the crime of human trafficking, including provisions relating to local law enforcement human trafficking training programs and the procedures local law enforcement officers must follow when investigating a human trafficking crime.

- [SENATE FILE 2253](#) - Substantive Code Corrections
SEE STATE GOVERNMENT. This Act changes language relating to the employment of peace officers by port authorities and the compensation of mental health patient advocates, updates the citation for federal agricultural extension enabling legislation, repeals language relating to the expired Driver's License Indebtedness Clearance Pilot Project, strikes obsolete language relating to the issuance of restricted certificates for deputy city and county assessors, adds snowmobile user permits to the listing of permits issued by the county recorder, and clarifies language relating to disposal of solid waste at municipal solid waste sanitary landfills.
- [SENATE FILE 2289](#) - Government Vehicle Registration Plates — Off-Site or In-Home Medical or Mental Health Services Providers
SEE TRANSPORTATION. This Act allows the issuance of regular registration plates and eliminates the public agency labeling requirement for publicly owned motor vehicles used by health care and mental health professionals who provide off-site or in-home services.
- [SENATE FILE 2304](#) - Indigent Defense and Juvenile Court Actions — Costs and Funding
SEE CRIMINAL LAW, PROCEDURE & CORRECTIONS. This Act relates to indigent defense claims and the reimbursement of costs in juvenile cases paid by a county.
- [SENATE FILE 2319](#) - Littering and Illegal Solid Waste Disposal
SEE ENVIRONMENTAL PROTECTION. This Act allocates a percentage of a civil penalty attributable to illegal dumping of solid waste to the county in which the violation occurs.
- [SENATE FILE 2327](#) - Information Used to Secure Arrest Warrants — Access
SEE CRIMINAL LAW, PROCEDURE & CORRECTIONS. This Act permits an employee of the county attorney's office to have access to confidential arrest warrant information prior to arresting a person.
- [SENATE FILE 2341](#) - Mental Health Care at State Psychiatric Hospital
SEE CIVIL LAW, PROCEDURE & COURT ADMINISTRATION. This Act requires the county board of supervisors or the board's designee to conduct financial condition investigations of persons who are sent to the State Psychiatric Hospital for evaluation and treatment, instead of the court and the clerk of court. The county board of supervisors is also given the responsibility of directing that a voluntary public patient be sent to the State Psychiatric Hospital, instead of requiring a court order.
- [SENATE FILE 2363](#) - Water Quality Regulation
SEE ENVIRONMENTAL PROTECTION. This Act relates to water quality standards.
- [SENATE FILE 2364](#) - Insurance and Other Entities or Services Regulated by the Commissioner of Insurance
SEE BUSINESS, BANKING & INSURANCE. This Act relates to various matters under the purview of the Insurance Division of the Department of Commerce. The Act authorizes a governmental subdivision to preserve and protect a cemetery or burial site that is not located in a dedicated cemetery by expending public funds and by delegating that responsibility to the owner of the property on which the cemetery or

burial site is located or to a public or private organization, pursuant to a written agreement.

- [HOUSE FILE 2245](#) - Iowa Public Employees' and Statewide Fire and Police Retirement Systems
SEE STATE GOVERNMENT. This Act makes changes to the Iowa Public Employees' Retirement System in Code Chapter 97B and the Municipal Fire and Police Retirement System (MFPRSI) created in Code Chapter 411. Among other items, the Act allows cities to pay a member of MFPRSI who is temporarily disabled due to a work injury or illness the worker's full pay and allowances from the city's trust and agency funds.
- [HOUSE FILE 2330](#) - Allowed Growth Factor for County Mental Health, Mental Retardation, and Developmental Disabilities Services Funding
SEE HUMAN SERVICES. This Act revises the distribution provisions for the allowed growth factor adjustment funding for county mental health, mental retardation, and developmental disabilities services funds under Code Section 331.424A.
- [HOUSE FILE 2337](#) - Department of Public Safety Organization and Peace Officer Authority
SEE STATE GOVERNMENT. This Act provides that a peace officer of the Department of Public Safety shall not be called upon for service within a municipality involving an industrial dispute unless a threat of imminent violence exists and the Governor approves the use of such officers.
- [HOUSE FILE 2492](#) - Mental Retardation Services Costs — State Cases
SEE HUMAN SERVICES. This Act relates to coverage of home and community-based waiver services and other services under the Medical Assistance (Medicaid) Program for persons with mental retardation whose services costs are a state responsibility (often referred to as "state cases"). The Act was approved by the Governor but was subsequently amended by H.F. 2780 (see Appropriations), which provides for counties to assume responsibility for state case services and other support effective October 1, 2006.
- [HOUSE FILE 2515](#) - Obstructions in Highway Rights-of-Way
SEE TRANSPORTATION. This Act concerns the authority of counties to eliminate obstructions in the rights-of-way of secondary roads.
- [HOUSE FILE 2522](#) - Filing Fee for Praecipe
SEE CIVIL LAW, PROCEDURE & COURT ADMINISTRATION. This Act relates to the recovery of the filing fee for a praecipe to issue execution.
- [HOUSE FILE 2525](#) - Transportation — Administration and Miscellaneous Regulations
SEE TRANSPORTATION. This Act addresses the placement of official signs along primary highways by public officers and agencies. The Act also concerns the responsibility of local jurisdictions for safety inspection and evaluation of highway bridges.
- [HOUSE FILE 2546](#) - Urban Deer Control — Miscellaneous Provisions
SEE NATURAL RESOURCES & OUTDOOR RECREATION. This Act provides limited immunity to private landowners who allow bow hunting of deer on their property, pursuant to a municipal ordinance, for the purpose of reducing or stabilizing an urban deer population in the municipality.

- [HOUSE FILE 2558](#) - Appropriations — Justice System
SEE APPROPRIATIONS. This Act permits the Department of Corrections to deny reimbursement to counties that temporarily confine inmates committed to the custody of the department if the county does not submit a request for reimbursement within 15 days of the end of a calendar quarter.
- [HOUSE FILE 2635](#) - Drainage and Levee Districts — Improvements — Bid Procedure
SEE AGRICULTURE. This Act amends provisions which authorize a governing board of a drainage district to let bids for improvements, including by increasing the threshold amount of the estimated cost required before it must publish notice or take bids.
- [HOUSE FILE 2713](#) - Public Improvement Contracts and Bid Procedures
SEE STATE GOVERNMENT. Effective January 1, 2007, cities, counties, schools, and other political subdivisions of the state must follow certain competitive bidding and quotation procedures for the construction of public improvements.
- [HOUSE FILE 2731](#) - Urban Renewal — Targeted Jobs Withholding Tax Credit
SEE ECONOMIC DEVELOPMENT. This Act allows four pilot project cities to assist in funding projects in their urban renewal areas by means of a targeted jobs credit from withholding for a period of 10 years. This credit is available to businesses that are or will locate in an urban renewal area.
- [HOUSE FILE 2734](#) - Appropriations — Health and Human Services
SEE APPROPRIATIONS. This Act relates to and makes appropriations for health and human services for FY 2006-2007 to the Department of Veterans Affairs, the Iowa Veterans Home, the Department of Elder Affairs, the Department of Public Health, the Department of Human Rights, and the Department of Human Services, and includes numerous provisions involving local government, including funding for mental health, mental retardation, and developmental disabilities services administered by counties, for community empowerment areas, and for local public health authorities.
- [HOUSE FILE 2772](#) - Brain Injury Services Program
SEE HUMAN SERVICES. This Act creates a new Brain Injury Services Program in the Department of Public Health and provides for funding of the program through allocation of a previously enacted appropriation for funding of county mental health, mental retardation, and developmental disabilities services allowed growth.
- [HOUSE FILE 2780](#) - Mental Health and Disability Services
SEE HUMAN SERVICES. This Act relates to mental health, mental retardation, developmental disabilities, or brain injury (MH/MR/DD/BI) services and other support by addressing purposes and quality standards, establishing basic financial eligibility standards, addressing state and county financial responsibility for the costs of the services and other support, and providing an increase in the reimbursement of certain service providers.
- [HOUSE FILE 2782](#) - Appropriations — Infrastructure and Capital Projects
SEE APPROPRIATIONS. Division IX of this Act in part creates regional emergency response training centers in specified areas of the state to

be operated by a public agency. The division also requests the Legislative Council to establish a committee to study emergency services in the state during the 2006 legislative interim.

[HOUSE FILE 2786](#)

- Civil Actions and Foreclosures Against Real Estate
SEE CIVIL LAW, PROCEDURE & COURT ADMINISTRATION. This Act relates to civil actions and the foreclosure of real estate mortgages.

[HOUSE FILE 2794](#)

- Taxes, Tax Policy, and Administration
SEE TAXATION. This Act relates to policy and administrative changes to tax law and related matters and updates the Streamlined Sales and Use Tax Law. Division I requires that a city that allows the transition of city taxes on property to be annexed must also include all property in the annexed area; restricts the county recorder from collecting fees in regard to the County Land Record Information System unless specifically authorized by statute; authorizes contiguous counties to enter into joint agreements relating to local option sales tax elections and to provide that, in the event of elections conducted under a joint agreement between contiguous counties, all cities contiguous to each other shall be treated as one incorporated area, even if the corporate boundaries of one or more cities include areas of more than one county; includes in the definition of "owner" for purposes of the homestead credit a person occupying the homestead as a member of a community land trust; expands the property tax exemption for property owned by a city or county to include property located at an airport and leased to a fixed base operator providing aeronautical services; and provides that equipment used in washing and waxing motor vehicles is not to be taxed as real property.

[HOUSE FILE 2797](#)

- State and Local Government Financial and Regulatory Matters — Appropriations and Miscellaneous Changes
SEE APPROPRIATIONS. This Act relates to state and local finances by providing for funding of property tax credits and reimbursements, by making, increasing, reducing, and transferring appropriations, providing for salaries and compensation of state employees, providing for fees and penalties, providing tax exemptions, and providing for properly related matters. The Act includes a number of provisions affecting local government matters.

LOCAL GOVERNMENT

[SENATE FILE 2087](#)

- Sanitary District Trustees — Per Diem

BY COMMITTEE ON LOCAL GOVERNMENT. This Act increases the amount of per diem, from \$40 to \$100, that a trustee of a sanitary district may receive for attending a board of trustees meeting or for being otherwise engaged in trustee duties.

[SENATE FILE 2194](#)

- Claims Against Regional Transit

BY COMMITTEE ON LOCAL GOVERNMENT. This Act allows a city, county, regional transit district commission, county enterprise commission, city utility board, or a school board to consolidate the list of allowed claims for publication in the newspaper. However, the reason for the claims must be the same and the vendor, supplier or claimant making the claims must be the same. The Act requires that the number and amount of the consolidated claims be published. An unconsolidated list of allowed claims must be available upon request.

SENATE FILE 2264 - County Books and Records — Miscellaneous Changes

BY COMMITTEE ON LOCAL GOVERNMENT. This Act makes changes relating to the duties of county recorders and county auditors concerning instruments affecting real estate and other filings required to be recorded by the county recorder.

The Act requires the recorder to cross-reference to the original document an instrument that makes subsequent reference to the original document. The Act repeals those sections which illustrate the endorsements to be made on instruments and the form of real estate transfer books and instead lists the information required to be noted on the instruments and in the transfer books. The Act defines "book," in the context of the county auditor's transfer book, index book, and plat book, to mean the method of data storage and retrieval utilized by the auditor.

The Act strikes the requirement that the county recorder compile and forward to the Inheritance Tax Division of the Department of Revenue a list of deeds which are dated or acknowledged more than six months before the date of recording. The Act also strikes the requirement that records of homestead plats and records of notices filed to preserve an interest in property that has a marketable chain of title be indexed and recorded in separate books, and instead requires that such records shall be indexed and recorded in the general system where all deeds and other instruments affecting real estate are recorded.

The recorder is to accept for recording all the military personnel documents listed for recording in Code Section 331.608, not just military discharges. Pertaining to recording of documents filed by veterans, the Act provides that "veteran" also means as that term is defined in Code Chapter 426A, "Military Service Tax Credit and Exemptions."

The Act changes the process by which an oil, gas, or metallic mineral lease is forfeited by the lessor or released by the lessee. If a lessee fails to record with the county recorder a release of a lease, the owner of the land shall send to the lessee, by restricted certified mail, an affidavit of noncompliance. If the lessee disputes the forfeiture of the lease, the lessee must notify the owner of the land, by restricted certified mail, within 30 days of receiving the affidavit of noncompliance. If the lessee does not so notify the owner of the land, the owner shall record the affidavit of noncompliance with the county recorder.

Notice of any surviving holder or successor in interest of a life estate that has been terminated through the death of the holder of the life estate may be made by affidavit filed for recording with the county recorder in lieu of a deed or change of title.

The Act strikes the option of making a notation, witnessed by the county recorder, on the margin of an instrument indicating an extension of the debt maturity date relating to the real estate described in the instrument and requires that such an extension agreement be filed with the county recorder for recording.

HOUSE FILE 2177 - Real Property — Approval of Subdivision Plat Name or Title

BY COMMITTEE ON LOCAL GOVERNMENT. This Act requires the county auditor to evidence the approval of the name or title of a subdivision plat in a statement that must accompany the subdivision plat for filing with the county recorder.

HOUSE FILE 2240 - County Boards of Supervisors — Vacancies

BY COMMITTEE ON LOCAL GOVERNMENT. This Act provides a procedure by which a county board of supervisors may declare a vacancy in the office of a supervisor if the physical or mental status of a supervisor is in question. A supervisor whose seat is declared vacant may appeal the board's decision to the district court. If the board declares a vacancy and the remaining balance of the supervisor's unexpired term is two and one-half years or more, a special election is required to fill the office.

HOUSE FILE 2282 - City Governance

BY COMMITTEE ON LOCAL GOVERNMENT. This Act makes changes relating to city government by providing for the direct election of mayor in a city governed by the council-manager-at-large form of city government and by providing for city continuity when there are concurrent city council vacancies in a city.

The Act requires the city council of a city governed by the council-manager-at-large form to adopt an ordinance providing that the city be governed by a mayor elected by the people to a four-year term and four council members elected at large if such a proposal is approved at election. The city council of such a city may on its motion or shall, if petitioned for, adopt a resolution to put the proposal on the ballot at the general election or the next regular city election, whichever occurs first.

The Act changes from 60 days to 32 days the amount of notice a city council is required to give the county commissioner of elections of a date chosen for a special election to fill a vacancy on the city council.

If there are concurrent vacancies on a city council and the remaining members do not constitute a quorum of the full membership, the county commissioner of elections shall call a special election to fill the vacancies. The Act requires the remaining council members to notify the commissioner of elections of the absence of a quorum. If there are no remaining council members, the city clerk is to provide the notice. If the office of city clerk is also vacant, the city attorney is to provide the notice.

If, because of vacancies, the city council lacks a quorum to conduct business, the city clerk is authorized to pay certain bills and to pay employee compensation without prior approval of the city council. If in such a situation the office of city clerk is also vacant, the county auditor shall make such payments.

HOUSE FILE 2351 - Eminent Domain — VETOED BY THE GOVERNOR — VETO OVERRIDDEN

BY COMMITTEE ON JUDICIARY. This Act makes changes to the law relating to eminent domain authority and the procedure by which eminent domain authority is exercised (condemnation).

The Act changes from 40 feet to 66 feet the width of a public way that may be acquired by eminent domain by an owner of land without a way to the land. However, if the land for which a public way may be condemned is agricultural land or land with single family residences, the maximum width remains 40 feet.

The Act strikes the exception for condemnation of agricultural land for industry and makes corresponding changes related to that exception. The Act also strikes the exception for condemnation of agricultural land located in a slum and blighted urban renewal area.

The Act provides limitations on the exercise of eminent domain authority for all private property by defining "public use," "public purpose," and "public improvement" to mean use of property by the general public; governmental entities; public or private utilities, common carriers, or airports or airport systems. "Public use," "public purpose," and "public improvement" are also defined in the Act to include the acquisition of brownfield sites and private use of property that is incidental to its public use. The terms are also defined to include the acquisition of property in those portions of urban renewal areas designated as slum or blighted areas if the parcel to be condemned is itself in a slum or blighted condition. However, a parcel-by-parcel finding of slum or blighted conditions is not necessary if, for that urban renewal area or portion thereof, a project or acquisition plan has been adopted and 75 percent of the area included in the project or acquisition plan is in a slum or blighted condition. In those circumstances, acquisition of property that is not in a slum or blighted condition must be

approved by a two-thirds vote of the acquiring agency. The portion of the Act requiring parcel-by-parcel findings of slum or blighted conditions and providing the 75 percent of area exception takes effect October 1, 2006. However, if an acquiring agency adopts a resolution prior to October 1, 2006, approving acquisition of property in an urban renewal area designated as a slum or blighted urban renewal area, that portion of the Act shall not apply to any application for condemnation filed before October 1, 2007. The Act defines "slum condition" and "blighted condition" for purposes of exercising eminent domain authority.

The Act provides that "public use," "public purpose," and "public improvement" do not mean economic development activities or privately funded activities unless such activities are specifically included in the definition of these terms. If private property is to be condemned for development or creation of a lake, only that number of acres justified as necessary for a surface drinking water source, as determined according to federal guidelines and engineer analyses, and not otherwise acquired, may be condemned. The Act requires the acquiring agency to conduct a review of prudent and feasible alternatives to creation of a lake as a surface drinking water source prior to making a determination that the lake is reasonable and necessary. Acquisition of private property by eminent domain for an airport, airport system, or aviation facilities is prohibited if the property to be condemned is located in the unincorporated area of a county and outside the geographic boundaries of the city or county operating the airport, airport system, or aviation facilities unless the county board of supervisors where the property is located holds a public hearing on the matter and subsequent to the hearing approves, by resolution, acquisition of the property. The Act makes certain exceptions to this prohibition on acquisition of private property for airports, airport systems, or aviation facilities.

A challenge to the exercise of eminent domain authority or to the condemnation proceedings may be brought by the owner of the property, a contract purchaser of record, or a tenant occupying the property under a recorded lease within 30 days after service of notice of the assessment to be conducted by the compensation commission. In addition, an acquiring agency may file a petition in district court seeking a determination and declaration that its finding of public use, public purpose, or public improvement meets the definition of those terms in relation to a proposed acquisition by eminent domain. Such an action may be commenced at any time prior to the filing of an application for condemnation. The burden of proof is on the acquiring agency to prove by a preponderance of the evidence that the finding of public use, public purpose, or public improvement meets the definition of those terms. If a property owner or any of the named parties in interest prevails in a court action, the acquiring agency is required to pay the costs of the adverse party, including reasonable attorney fees.

The Act provides that when engaging in negotiations with a property owner, the acquiring agency shall offer a price for the property that is not less than the acquiring agency's appraisal plus expenses or that is not less than the value determined under the acquiring agency's appraisal waiver procedure for property with a low fair market value plus expenses. Currently, an acquiring agency is allowed to establish an appraisal waiver procedure for property with a low fair market value. In the alternative, an acquiring agency may offer an amount equal to 130 percent of the appraised value plus the amount of certain specified expenses. If the owner accepts this offer, the owner is barred from claiming payment from the acquiring agency for any other expenses allowed by law. The Act contains a similar provision in situations where the property is acquired through condemnation and the damages have been finally determined and paid.

The Act requires that an acquiring agency notify a property owner of a proposed resolution, motion, or other document authorizing acquisition of the owner's property by eminent domain at least 14 days prior to the date of the meeting at which such proposed authorization will be considered for adoption by the acquiring agency. The Act also requires that the notice be sent to any contract purchaser of record of the property and to any tenant known to be occupying

the property. This notice requirement does not apply to street and highway projects undertaken by the state, a county, or a city; projects undertaken by a municipal utility; projects undertaken by a city enterprise providing services of sewer systems, storm water drainage systems, sewage treatment, solid waste collection, or solid waste disposal; or projects undertaken by a county enterprise providing services related to sanitary disposal of waste, sanitary sewage systems, and waterworks.

An application for condemnation of property shall also be served, by mail or personal service, on any contract purchaser of record of the property and on any tenant known to be occupying the property in addition to those persons already required by law to be served the application.

When a compensation commission is deliberating in closed session, the meeting is closed to all persons except for personnel from the sheriff's office if the presence of such personnel is requested by the commission. After deliberations in a closed session commence, if the commission requires further information from a party or a witness, the commission shall notify the property owner and the acquiring agency that they are allowed to attend the meeting but only for such period of time as the additional information is being provided.

When the compensation commission or the acquiring agency is determining the fair market value of the property, both are prohibited from limiting consideration to only the assessed value of the property for purposes of property taxation.

The Act specifies that payments for relocating persons displaced by condemnation, including expenses incurred in moving the person's family, business, or farm operation, shall be paid for any condemnation that displaces a person, not just those that are for projects or programs receiving federal financial assistance. The Act also specifies that Code Sections 6B.54 and 6B.55, relating to requirements imposed on acquiring agencies, apply to condemnations for any public use, public purpose, or public improvement.

The Act makes changes relating to disposition of property acquired by condemnation. Current law provides that if property acquired by condemnation is not used for the purpose stated in the condemnation application, and the acquiring agency seeks to dispose of the property, it must first be offered for sale to the prior owner at a price equal to the current appraised value. The Act expands upon this by providing that if the property is used for the purpose stated in the application for condemnation and the acquiring agency seeks to dispose of the property by sale to a private person or entity within five years after acquisition, the acquiring agency must first offer the property for sale to the prior owner. The Act further provides that, in either case, the property must be offered for sale to the prior owner at the current appraised value or the fair market value at the time it was acquired by the acquiring agency from the prior owner plus cleanup costs, whichever is less. However, the Act also provides that the sale price of the property to the prior owner shall be the current appraised value if any other purchase price would result in the loss of federal funding for projects funded in whole or in part with federal funds. The Act defines "cleanup costs."

When five years have elapsed since property was condemned and the property has not been used for the purpose stated in the application for condemnation nor has the acquiring agency taken action to dispose of the property, the acquiring agency shall adopt a resolution, within 60 days after the five years has run, reaffirming the purpose for which the property will be used or offering the property for sale to the prior owner. If the acquiring agency does not adopt a resolution within the required 60 days, the prior owner may petition the acquiring agency to sell the property to the prior owner. If the acquiring agency does not adopt a resolution within 60 days after receipt of the petition, the acquiring agency is deemed to have offered the property for sale to the prior owner. This provision of the Act does not apply to property acquired for street and highway projects undertaken by the state, a county, or a city.

Rent shall not be charged to a person in possession of property that is being condemned and shall not accrue against the property owner until all or a portion of the compensation commission award has been paid to the condemnee.

Any entity created by or on behalf of a political subdivision and that is granted, by statute, eminent domain authority to acquire property shall not exercise its eminent domain authority outside the jurisdictional limits of the participating political subdivisions without first receiving the approval, by resolution, of the board of supervisors of the county where the property is located. The Act provides exceptions to this limitation.

The Act makes changes to various provisions of the Code where eminent domain authority is extended to certain entities to specify that those entities, when condemning property, are subject to the general Code provisions relating to exercise of eminent domain authority and condemnation procedures. The authority to exercise the power of eminent domain under the urban renewal Code chapter and the Code chapter authorizing municipal housing projects is also subject to the general Code provisions relating to exercise of eminent domain authority and condemnation procedures.

The power of a city to acquire property outside the city does not include the power to acquire property outside the city by eminent domain with certain exceptions.

The Act makes changes relating to income tax consequences for persons whose property has been condemned. The Act allows a taxpayer to exempt from income the amount of ordinary or capital gain realized by the taxpayer as a result of the involuntary conversion of the property due to eminent domain. The tax year in which such ordinary or capital gain is exempted from income is dependent on whether replacement property is purchased by the taxpayer. The Act allows a prior owner who reacquires property that had been condemned to amend the owner's tax return for the tax year that the owner claimed a gain on the involuntary conversion of the property to reflect the payment made to reacquire the property.

The Act includes various effective date and applicability date provisions.

[HOUSE FILE 2654](#) - County Treasurer Duties, Motor Vehicle Regulation, and Public Nuisance Tax Sales

BY COMMITTEE ON LOCAL GOVERNMENT. This Act makes various changes relating to motor vehicles and to the powers and duties of county treasurers relating to motor vehicles and property taxation.

Code Section 12B.11 is amended, effective April 20, 2006, to provide that a county treasurer is required to produce and count in the presence of an examining officer all moneys and funds on deposit in the safe or vault in the treasurer's office only if requested to do so by the county's board of supervisors.

Code Sections 321.20 and 321.46 are amended to permit a firm, association or corporation that owns vehicles in more than one county to register a vehicle in the county where the primary user of the vehicle is located, rather than in the county of the owner's residence.

Code Section 321.20A is amended to provide that when the owner of more than 50 commercial motor vehicles subject to proportional registration is issued a certificate of title for a commercial motor vehicle, the prorated registration fee for the vehicle is not due until the vehicle is driven or moved upon the highway.

Code Sections 321.24 and 321.52 are amended to eliminate an obsolete requirement that certificates of title and registration receipts for rebuilt vehicles, and for wrecked or salvage vehicles that have been repaired, be stamped with the rebuilt or salvage designation. The designation is now printed electronically by the vehicle registration and titling system.

Code Section 321.25 is amended to extend the period of time that a vehicle may be operated pending receipt of registration plates from 45 days to 60 days. Since current law allows vehicle dealers 30 days to forward an application for registration and title to the county treasurer, this extension applies to the amount of time the county treasurers have to issue the registration and title. This provision of the Act takes effect July 1, 2007.

Code Section 321.101A is amended to authorize county treasurers to revoke a person's vehicle registration if the registration fees are paid by an electronic payment or credit card that is not honored by the person's financial institution or credit card company. Such revocation is currently allowed for dishonored checks. This provision of the Act takes effect April 20, 2006.

Code Sections 321.123, 321.126 and 321.127 are amended to permit prorated refunds of vehicle registration fees for travel trailers and fifth-wheel travel trailers when the vehicles are sold. Since these vehicles are not classified as motor vehicles, they are not covered under current refunding provisions applicable to motor vehicles. These provisions of the Act take effect January 1, 2007.

Code Sections 321.324A and 321.423 are amended to permit motor vehicles used to escort funeral processions to display flashing or revolving red or amber lights.

Code Section 331.552 is amended to change from \$10 to \$20 the fee required to be collected by the county treasurer for issuance of a tax sale certificate and to strike the \$10 fee required to be collected for issuance of a certificate of redemption from tax sale. A corresponding amendment is made to Code Section 447.5. These provisions of the Act take effect April 20, 2006, and apply to parcels sold at tax sales held on or after June 1, 2006.

Code Section 331.552 is also amended to require the county treasurer to destroy mobile home and manufactured home tax lists after 10 years have elapsed since the list was created.

Code Section 331.559 is amended to provide that the county treasurer may dispose of the record of a suspended tax after 10 years from the date of payment, abatement or cancellation of the suspended tax.

Code Section 331.904 is amended to allow a county treasurer's office that participates in driver licensing to create a deputy position for the person in charge of driver's license issuance.

Code Section 349.16 is amended to provide that a county treasurer is not required to publish a listing of warrants outstanding if the county issues checks in lieu of warrants and there are no remaining outstanding warrants issued by the county. This provision of the Act takes effect April 20, 2006.

Code Section 445.36 is amended to specify that the provision allowing taxes to be paid in two installments applies to property taxes and not to special assessments or rates or charges. The section is also amended to provide that a notice of delinquency shall be mailed for all delinquent taxes, which includes special assessments, rates or charges. A corresponding amendment is made to Code Section 445.5.

Code Section 446.9, relating to mailing notice of the annual tax sale by May 1, is amended to provide that if May 1 is a Saturday or Sunday, the notice shall be mailed not later than the first business day of May.

New Code Section 446.19B provides that a county may adopt an ordinance providing for a public nuisance tax sale held on the same day as the annual tax sale. Parcels with delinquent taxes that may be offered for sale at the public nuisance tax sale are parcels that are abandoned property and are assessed as residential property or commercial multifamily housing property, and the county or city has declared that the parcel is, or is likely to become,

a public nuisance, and that the parcel is suitable for use as housing following rehabilitation. A prospective bidder at a public nuisance tax sale is required to enter into an agreement with the county or city, as applicable, stating that the bidder intends to rehabilitate the property for housing. A conforming amendment is made to Code Section 447.9.

Current law provides that the holder of a tax sale certificate has three years from the date of issuance to take action to obtain a tax deed. If no action is taken during that time period, the sale is canceled. Current law also provides that when a tax sale certificate is assigned by a county, the three-year time period starts running from the date the assignment is recorded on the county system. The Act amends Code Sections 446.31 and 446.37 to provide that in the case of public nuisance tax sale certificates issued or assigned, the time period to take action to obtain a tax deed is one year.

Code Section 446.32 is amended to provide that payment of taxes on a parcel by other than the taxpayer and subsequent to the issuance of a tax sale certificate for delinquent taxes on the parcel must be received by the county treasurer no later than 5:00 p.m. on the last business day of the month for interest for that month to be added to the redemption amount. The section is also amended to specify that the date of postmark of a subsequent payment shall not be used by a county treasurer to determine whether interest on the subsequent payment should accrue. This provision of the Act takes effect April 20, 2006, and applies to parcels sold at tax sales held on or after June 1, 2006.

Code Section 447.1 is amended to provide that a redemption payment must be received by the county treasurer on or before the last day of the month to avoid additional interest being added to the redemption amount. If the last day of the month is a Saturday, Sunday or holiday, the redemption payment must be received by the close of business on the first business day of the following month. This provision of the Act takes effect April 20, 2006, and applies to parcels sold at tax sales held on or after June 1, 2006.

Code Section 447.12 provides that after a certain period of time has passed, a tax sale certificate holder is required to provide a notice of redemption to the owner of the property stating that if the amount necessary to redeem the property is not paid within 90 days, a tax deed for the property shall be issued to the tax sale certificate holder. The Act provides that if the 90th day of the redemption period falls on a Saturday, Sunday or holiday, the redemption amount must be received by the county treasurer before the close of business on the first business day following the 90th day. The section is also amended to specify that the date of postmark of a redemption payment shall not be used by a treasurer to determine time of payment. This provision of the Act takes effect April 20, 2006, and applies to parcels sold at tax sales held on or after June 1, 2006.

[HOUSE FILE 2665](#) - Volunteer Emergency Service Provider Death Benefit

BY COMMITTEE ON STATE GOVERNMENT. This Act concerns the \$100,000 line of duty death benefit payable to eligible public safety employees under the Peace Officers Retirement System (PORS) in Code Chapter 97A, the Iowa Public Employees' Retirement System (IPERS) in Code Chapter 97B, the statewide fire and police retirement system (MFPRSI) established in Code Chapter 411, and the volunteer emergency services provider death benefit in Code Section 100B.11.

The volunteer emergency services provider death benefit under Code Section 100B.11 shall provide for the death benefit for all volunteer emergency services providers whether the provider may otherwise be covered under PORS, IPERS or MFPRSI. If a benefit is paid under Code Section 100B.11, no line of duty death benefit will be payable under the other retirement systems.

The Act also changes the definition of a volunteer emergency services provider under Code Section 100B.11 to cover persons performing the functions of an emergency medical care provider or emergency rescue technician who were not paid full-time by the entity for which such services were being performed at the time the incident giving rise to the death occurred.

[HOUSE FILE 2697](#) - Prisoners in Municipal Holding Facilities or County Jails — Medical Aid

BY COMMITTEE ON PUBLIC SAFETY. This Act permits a county jail or municipal holding facility to charge a prisoner for any medical aid provided to that prisoner. Currently, the county jail or municipal holding facility may only charge for room and board and administrative costs.

[HOUSE FILE 2774](#) - City Employee Pensions and Benefits — Employer Contributions

BY COMMITTEE ON WAYS AND MEANS. This Act allows a city to contribute to pension and related employee benefits for personnel of another city or governmental entity pursuant to a contract in which the city receives public safety services, including but not limited to police protection, fire protection, ambulance, or hazardous materials response, from the other city or governmental entity. The city may make such contributions in an annual amount not to exceed the amount of contributions for pension and related employee benefits that would otherwise be paid by the other city or governmental entity for such personnel.

[HOUSE FILE 2777](#) - Urban Renewal — Certifications of Amounts of Loans, Advances, Indebtedness, or Bonds

BY COMMITTEE ON WAYS AND MEANS. This Act specifies that the amount of loans, advances, indebtedness, or bonds issued for urban renewal purposes need only be certified once to the county auditor unless loans, advances, indebtedness, or bonds are subsequently issued and are in addition to the amount already certified. The date the municipality initially approves such loans, advances, indebtedness, or bonds shall also be included in the certification. If the municipality takes action that results in a reduction of the amount of an urban renewal obligation already certified, the municipality shall certify the amount of the reduction.

NATURAL RESOURCES AND OUTDOOR RECREATION

- [HOUSE FILE 590](#) - Senior Crossbow Deer Hunting Licenses
- [HOUSE FILE 2171](#) - Conditional Fishing Permits for Certain Supervised Groups
- [HOUSE FILE 2244](#) - Veterans Lifetime Fishing and Hunting Licenses
- [HOUSE FILE 2546](#) - Urban Deer Control — Miscellaneous Provisions
- [HOUSE FILE 2569](#) - Operation of All-Terrain Vehicles on Highways
- [HOUSE FILE 2611](#) - Conditional Student Fishing Permits
- [HOUSE FILE 2612](#) - Marine Accidents — Vessel Operator Failure to Render Information and Assistance
- [HOUSE FILE 2663](#) - Natural Resource Commission Jurisdiction — Lakebeds and Riverbeds

RELATED LEGISLATION

- [SENATE FILE 2056](#) - Honey Creek Premier Destination Park Bonds
SEE APPROPRIATIONS. This Act allows the Honey Creek Premier Destination Park Authority to issue bonds which result in the deposit of net bond proceeds of not more than \$28 million credited to the Honey Creek Premier Destination Park Bond Fund. The Act takes effect March 9, 2006.
- [SENATE FILE 2253](#) - Substantive Code Corrections
SEE STATE GOVERNMENT. This Act makes clarifications in rulemaking authority pertaining to all-terrain vehicle crossing permits, adds snowmobile user permits to the listing of permits issued by the county recorder, and updates a term used in language relating to the creation of state preserves.
- [SENATE FILE 2363](#) - Water Quality Regulation
SEE ENVIRONMENTAL PROTECTION. This Act relates to water quality standards.
- [HOUSE FILE 2540](#) - Appropriations — Agriculture and Natural Resources
SEE APPROPRIATIONS. This Act appropriates moneys to support the Department of Natural Resources (DNR) and programs relating to natural resources and outdoor recreation. Moneys are appropriated from the General Fund of the State to support the DNR's various divisions and administrative units and from the State Fish and Game Protection Fund to support the Division of Fish and Wildlife.
- [HOUSE FILE 2782](#) - Appropriations — Infrastructure and Capital Projects
SEE APPROPRIATIONS. Division VII of this Act in part appropriates from the Endowment for Iowa's Health Account of the Tobacco Settlement Trust Fund to the Department of Natural Resources (DNR) for implementation of lake projects that have established watershed improvement initiatives and community support in accordance with the department's annual lake restoration plan and report. Division IX creates the Marine Fuel Tax Fund under the authority of the DNR to consist of all revenues derived from the excise tax on the sale of motor fuel used in watercraft. Division IX also establishes a Wastewater Treatment Financial Assistance Program to be administered by the Iowa Finance Authority to provide grants to enhance water quality and to

assist communities to comply with water quality standards adopted by the DNR.

- [HOUSE FILE 2797](#) - State and Local Government Financial and Regulatory Matters — Appropriations and Miscellaneous Changes
SEE APPROPRIATIONS. This Act relates to state and local finances and includes a number of provisions affecting natural resource-related matters.

NATURAL RESOURCES AND OUTDOOR RECREATION

[HOUSE FILE 590](#) - **Senior Crossbow Deer Hunting Licenses**
BY COMMITTEE ON NATURAL RESOURCES. This Act provides that persons who are residents of Iowa and who are 70 years of age or older may be issued one special senior statewide antlerless deer only crossbow hunting license to hunt deer during the regular deer hunting bow season, which may be in addition to a statewide antlered or any sex deer hunting bow license. A person who obtains a license under the provision is not required to pay the wildlife habitat fee but must be otherwise qualified to hunt deer in this state and must have a resident hunting license.

Season dates, shooting hours, limits, license quotas, and other regulations for this license are the same as those for the deer hunting bow season. An unlimited number of licenses may be issued under the new provision. The daily and season bag and possession limit is one deer per license.

[HOUSE FILE 2171](#) - **Conditional Fishing Permits for Certain Supervised Groups**
BY COMMITTEE ON NATURAL RESOURCES. This Act allows tenants of licensed elder group homes or assisted living facilities, participants who attend licensed adult day services programs, participants in certain home and community-based services, and persons supervising such groups to fish as a supervised group, without fishing licenses, with a group permit issued by the Department of Natural Resources. Currently, such a permit is available only to residents of licensed health care facilities and to persons cared for in juvenile shelter care homes.

[HOUSE FILE 2244](#) - **Veterans Lifetime Fishing and Hunting Licenses**
BY COMMITTEE ON VETERANS AFFAIRS. This Act allows certain residents who are veterans and were disabled or a prisoner of war during their military service to purchase a lifetime fishing license or a lifetime hunting and fishing combined license for \$5. Currently, a lifetime hunting and fishing combined license is available to certain veterans for \$30.

[HOUSE FILE 2546](#) - **Urban Deer Control — Miscellaneous Provisions**
BY COMMITTEE ON NATURAL RESOURCES. This Act provides limited immunity from premises liability to private landowners who allow bow hunting of deer on their property, pursuant to a municipal ordinance, for the purpose of reducing or stabilizing an urban deer population in the municipality. Any city or county qualifies as a "municipality."

A hunter who participates in urban deer control is required to be otherwise qualified to hunt deer in this state, have a hunting license and pay the wildlife habitat fee, and obtain a special deer hunting license which costs \$25.50. The Natural Resource Commission may issue more than one license per person as necessary to achieve the purposes of urban deer control, at a cost of \$10 for each additional license.

An urban deer control ordinance is not effective until it has been approved by the Department of Natural Resources.

[HOUSE FILE 2569](#) - Operation of All-Terrain Vehicles on Highways

BY COMMITTEE ON TRANSPORTATION. This Act allows a person to operate an all-terrain vehicle on a highway for the limited purposes of maintaining and mowing snowmobile trails and all-terrain vehicle trails designated by the Department of Natural Resources and installing trail signs. Otherwise, all-terrain vehicle operation on highways is prohibited, except for purposes related to agriculture, surveying, highway construction or maintenance, or emergency services.

[HOUSE FILE 2611](#) - Conditional Student Fishing Permits

BY COMMITTEE ON NATURAL RESOURCES. This Act creates an educational program designed to expose high school students to the sport of fishing. The Act allows the Department of Natural Resources to issue a permit to students 16 years of age and older to fish without a license as part of a school outing.

[HOUSE FILE 2612](#) - Marine Accidents — Vessel Operator Failure to Render information and Assistance

BY COMMITTEE ON NATURAL RESOURCES. This Act provides for increasingly severe criminal penalties for the failure of a watercraft operator to offer assistance and information at the scene of a collision, accident or casualty involving the watercraft based upon what damage or injury results from the collision, accident or casualty.

The penalty upon conviction for such a failure where the incident results only in property damage is a serious misdemeanor, where the incident results in injury to a person is an aggravated misdemeanor, and where the incident results in the death of a person is a class "D" felony.

[HOUSE FILE 2663](#) - Natural Resource Commission Jurisdiction — Lakebeds and Riverbeds

BY COMMITTEE ON NATURAL RESOURCES. This Act limits the jurisdiction of the Natural Resource Commission over certain areas of lakebeds and riverbeds for the purpose of leasing such areas on behalf of the state to another party.

PUBLIC DEFENSE AND VETERANS

- [SENATE FILE 2312](#) - Injured Veterans Grant Program
- [SENATE FILE 2333](#) - Veterans Commemorative Property
- [HOUSE FILE 2080](#) - Supplemental Appropriations — Veterans Programs
- [HOUSE FILE 2708](#) - Veterans Trust Fund — Funding
- [HOUSE FILE 2765](#) - Department of Public Defense — Military Division Affairs

RELATED LEGISLATION

- [SENATE FILE 2264](#) - County Books and Records — Miscellaneous Changes
SEE LOCAL GOVERNMENT. This Act requires that the county recorder record all military personnel documents listed in Code Section 331.608.
- [HOUSE FILE 2244](#) - Veterans Lifetime Fishing and Hunting Licenses
SEE NATURAL RESOURCES & OUTDOOR RECREATION. This Act allows certain residents who are veterans and were disabled or a prisoner of war during their military service to purchase a lifetime fishing license or a lifetime hunting and fishing combined license for \$5.
- [HOUSE FILE 2363](#) - Veterans Benefits — Health Care Facilities
SEE HEALTH & SAFETY. This Act relates to the rules for identifying of residents of health care facilities who are veterans and the reporting of the information to the Department of Veterans Affairs.
- [HOUSE FILE 2365](#) - Disorderly Conduct — Funerals or Memorial Services
SEE CRIMINAL LAW, PROCEDURE & CORRECTIONS. This Act prohibits a person from making loud and raucous noise, directing abusive epithets or making threatening gestures, or disturbing or disrupting a funeral, memorial service, funeral procession, or burial.
- [HOUSE FILE 2527](#) - Appropriations — Education
SEE APPROPRIATIONS. This Act appropriates moneys for FY 2006-2007 from the General Fund of the State to the College Student Aid Commission, the Department for the Blind, the Department of Cultural Affairs, the Department of Education, and the State Board of Regents and its institutions. The appropriations to the commission include an appropriation for the National Guard Educational Assistance Program.
- [HOUSE FILE 2734](#) - Appropriations — Health and Human Services
SEE APPROPRIATIONS. This Act relates to and makes appropriations for health and human services for FY 2006-2007 to the state Department of Veterans Affairs (DVA), the Iowa Veterans Home, the Department of Elder Affairs, the Iowa Department of Public Health, the Department of Human Rights, and the Department of Human Services, and includes funding and other provisions involving DVA, the Iowa Veterans Home, and veterans programs.
- [HOUSE FILE 2751](#) - Military Service Tax Credit
SEE TAXATION. This Act changes the length of active duty service required for former members of the U.S. armed forces to be eligible to receive the military service property tax exemption and credit.

- [HOUSE FILE 2792](#) - Government Operations, Education Programs, Finance and Taxation, and Parental Rights
SEE EDUCATION. This Act relates to government operations and finance. Division III of the Act appropriates \$27,000 for FY 2006-2007 from the General Fund of the State to the Department of Veterans Affairs and directs the department to provide state educational assistance to a resident child of a person who died on or after September 11, 2001, during active federal military service while serving in the armed forces or during active federal military service in the Iowa National Guard or other military component of the United States.
- [HOUSE FILE 2797](#) - State and Local Government Financial and Regulatory Matters — Appropriations and Miscellaneous Changes
SEE APPROPRIATIONS. This Act relates to state and local finances and includes a number of provisions affecting public defense and veterans-related matters.

PUBLIC DEFENSE AND VETERANS

[SENATE FILE 2312](#) - **Injured Veterans Grant Program**
BY COMMITTEE ON STATE GOVERNMENT. This Act establishes an Injured Veterans Grant Program under the control of the Department of Veterans Affairs. The program provides grants of up to \$10,000 to a seriously injured veteran to provide financial assistance to the veteran so that family members of the veteran may be with the veteran during the veteran's recovery from a combat-related injury received while serving in a combat zone or hazardous duty pay zone since September 11, 2001. The department may receive donations from any public or private source for the purpose of providing grants under this program. The provision establishing the program takes effect May 8, 2006.

Grants received under this program and donations made to the department for this program are subtracted from net income for purposes of the Iowa income tax for tax years beginning on or after January 1, 2006.

[SENATE FILE 2333](#) - **Veterans Commemorative Property**
BY COMMITTEE ON STATE GOVERNMENT. This Act prohibits the sale, trade or transfer of any type of property more than 75 years old commemorating a veteran or a group of veterans that rests in a cemetery unless authorized by the Department of Veterans Affairs. A person who engages in the unauthorized sale, trade or transfer of such veteran commemorative property is guilty of a simple misdemeanor.

[HOUSE FILE 2080](#) - **Supplemental Appropriations — Veterans Programs**
BY COMMITTEE ON APPROPRIATIONS. This Act revises and makes FY 2005-2006 appropriations involving veterans programs.

The unexpended or unobligated portion of an FY 2005-2006 appropriation made to the College Student Aid Commission for purposes of the National Guard Educational Assistance Program does not revert at the close of the fiscal year but remains available for expenditure for the program in the succeeding fiscal year.

An FY 2005-2006 appropriation made to the Iowa Veterans Home is reduced by \$3 million and new appropriations are made to the Department of Veterans Affairs for other veterans programs in an amount equivalent to the reduction. Legislative intent language is included to appropriate at least \$3 million in funding from the Rebuild Iowa Infrastructure Fund to support

necessary projects at the Iowa Veterans Home and an appropriation in excess of that amount was included in H.F. 2782 (see Appropriations).

The first new appropriation is for \$1 million to begin a veterans appreciation program to assist the families of military veterans seriously injured in a combat zone since September 11, 2001. This appropriation and the program name and eligibility requirements were later revised in S.F. 2312 to become the Injured Veterans Grant Program.

The other new appropriation, for \$2 million, is required to be transferred to the Iowa Finance Authority to continue a Home Ownership Assistance Program for persons who are or were eligible members of the armed forces of the United States. This appropriation does not revert until the close of FY 2007-2008. Of this amount, H.F. 2797 (see Appropriations) designates \$50,000 to be transferred to the Department of Public Defense to be used for the Enduring Families Program. This program provides debriefing, stress management, and counseling services to families of Iowa National Guard personnel returning from a deployment.

The eligibility period for the Home Ownership Assistance Program is extended by one year to June 30, 2007.

The Act takes effect January 23, 2006.

[HOUSE FILE 2708](#) - Veterans Trust Fund — Funding

BY COMMITTEE ON VETERANS AFFAIRS. This Act concerns the Veterans Trust Fund.

The Act reduces the minimum balance required prior to expenditure of moneys from the Veterans Trust Fund from \$50 million to \$5 million for the period beginning July 1, 2006, and ending June 30, 2009. After June 30, 2009, the minimum balance returns to \$50 million.

The Commission of Veterans Affairs must submit an annual report to the General Assembly by January of each year concerning the Veterans Trust Fund.

The Act establishes an income tax checkoff for the Veterans Trust Fund for the tax year beginning on January 1, 2006.

[HOUSE FILE 2765](#) - Department of Public Defense — Military Division Affairs

BY COMMITTEE ON GOVERNMENT OVERSIGHT. This Act concerns the Military Division of the Department of Public Defense.

The Act authorizes armory boards to grant easements on state military property for purposes other than utility or public highway purposes.

The Iowa National Guard civil relief provisions of Code Chapter 29A are also amended. Code Section 29A.99, regarding the maximum rate of interest that may be charged on preservice obligations, is rewritten and extends the interest protection provided by the section to joint obligations of a service member and the service member's spouse and provides that any interest over 6 percent is forgiven.

Code Section 29A.101A, regarding termination of preservice leases, is rewritten and provides that the lease termination provisions currently applicable to real property leases also apply to motor vehicle leases. The section sets out the notice and termination requirements for each type of lease and provides that for vehicle leases, the vehicle must be returned. The current simple misdemeanor penalty for interference with a service member or dependent in the exercise of rights under the section is retained in the rewritten section.

STATE GOVERNMENT

- [SENATE FILE 2199](#) - Peace Officers' Retirement, Accident, and Disability System — Purchase of Service Credit
- [SENATE FILE 2231](#) - State Employee Sick Leave
- [SENATE FILE 2253](#) - Substantive Code Corrections
- [SENATE FILE 2316](#) - Administrative Rules — Filing and Publication
- [SENATE FILE 2394](#) - Regulation of Manufactured, Modular, and Mobile Homes
- [SENATE FILE 2410](#) - Oversight of Governmental Services and Public Expenditures
- [S.R. 170](#) - Government Oversight Committee Investigative Authority
- [HOUSE FILE 537](#) - Investment of Public Funds
- [HOUSE FILE 729](#) - Iowa Public Employees' and Judicial Retirement Systems
- [HOUSE FILE 2245](#) - Iowa Public Employees' and Statewide Fire and Police Retirement Systems
- [HOUSE FILE 2337](#) - Department of Public Safety Organization and Peace Officer Authority
- [HOUSE FILE 2543](#) - Nonsubstantive Code Corrections
- [HOUSE FILE 2571](#) - Criminal Intelligence Assessment and Intelligence Data — Confidentiality and Release
- [HOUSE FILE 2586](#) - Liquidated Debts Owed Labor Commissioner and License, Commission, Registration, Certificate, or Permit Issuance
- [HOUSE FILE 2632](#) - Regulation of Real Estate Brokers, Salespersons, and Transfers
- [HOUSE FILE 2686](#) - Iowa Communications Network — Miscellaneous Changes
- [HOUSE FILE 2705](#) - Department of Administrative Services — Miscellaneous Changes
- [HOUSE FILE 2712](#) - Statewide Fire and Police Retirement System — Deferred Retirement
- [HOUSE FILE 2713](#) - Public Improvement Contracts and Bid Procedures
- [H.J.R. 2006](#) - Nullification of Administrative Rule — Mandatory Reporting by Iowa Board of Dental Examiners Licensees
- [H.R. 176](#) - Government Oversight Committee Investigative Authority

RELATED LEGISLATION

- [SENATE FILE 2056](#) - Honey Creek Premier Destination Park Bonds
SEE APPROPRIATIONS. This Act allows the Honey Creek Premier Destination Park Authority to issue bonds which result in the deposit of net bond proceeds of not more than \$28 million credited to the Honey Creek Premier Destination Park Bond Fund. The Act takes effect March 9, 2006.
- [SENATE FILE 2273](#) - Miscellaneous Supplemental Appropriations and Financial Regulation
SEE APPROPRIATIONS. This Act provides supplemental appropriations for fiscal year 2005-2006 and authorizes the Executive Council to utilize the standing unlimited appropriation for performance of duty to provide for emergency repairs to state property.

- [SENATE FILE 2299](#) - Credit Unions — Public Funds, Membership, Records
SEE BUSINESS, BANKING & INSURANCE. This Act relates to the security required for the deposit of public funds in a credit union.
- [SENATE FILE 2333](#) - Veterans Commemorative Property
SEE PUBLIC DEFENSE & VETERANS. This Act requires authorization by the Department of Veterans Affairs prior to the sale, trade or transfer of certain property which commemorates a veteran or a group of veterans and is located in a cemetery.
- [SENATE FILE 2338](#) - Office of Grants Enterprise Management — Funding
SEE APPROPRIATIONS. This Act relates to the manner in which specified appropriations from state agencies to the Office of Grants Enterprise Management of the Department of Management are determined, allocates an existing appropriation, and makes an additional appropriation for grant writing and identification assistance to state agencies.
- [SENATE FILE 2358](#) - State Board of Regents — Authority and Administration
SEE EDUCATION. This Act provides for modifications relating to the administration of institutions under the control of the State Board of Regents.
- [HOUSE FILE 2050](#) - Elections — Polling Places, Ballots, and Election Registers
SEE ELECTIONS, ETHICS & CAMPAIGN FINANCE. This Act makes changes relating to the conduct of elections.
- [HOUSE FILE 2051](#) - Voter Registration System
SEE ELECTIONS, ETHICS & CAMPAIGN FINANCE. This Act provides that, as of January 1, 2007, voter registration systems that are maintained separately from the state voter registration system are prohibited.
- [HOUSE FILE 2331](#) - Physician Assistant Prescribing Authority
SEE HEALTH & SAFETY. This Act gives the Physician Assistant Examiners Board the discretion to eliminate the restriction regarding the prescribing of Schedule II controlled stimulants by physician assistants.
- [HOUSE FILE 2351](#) - Eminent Domain — VETOED BY THE GOVERNOR — VETO OVERRIDDEN
SEE LOCAL GOVERNMENT. This Act makes changes to the law relating to eminent domain authority and the procedure by which eminent domain authority is exercised (condemnation).
- [HOUSE FILE 2363](#) - Veterans Benefits — Health Care Facilities
SEE HEALTH & SAFETY. This Act relates to the rules relating to the identifying of residents of health care facilities who are veterans and the reporting of the information to the Department of Veterans Affairs.
- [HOUSE FILE 2365](#) - Disorderly Conduct — Funerals or Memorial Services
SEE CRIMINAL LAW, PROCEDURE & CORRECTIONS. This Act prohibits a person from making loud and raucous noise, directing abusive epithets or making threatening gestures, or disturbing or disrupting a funeral, memorial service, funeral procession, or burial.
- [HOUSE FILE 2459](#) - Appropriations — Economic Development
SEE APPROPRIATIONS. This Act creates annual auditing requirements for the Auditor of State.

- [HOUSE FILE 2505](#) - Wage Claim Representation in Receivership or Seizure Actions — Labor Commissioner
SEE LABOR & EMPLOYMENT. This Act authorizes the Labor Commissioner to represent laborers or employees seeking payment for labor or wage claims in pending receivership or seizure actions.
- [HOUSE FILE 2512](#) - Ethics and Campaign Disclosure Board Jurisdiction and Procedure
SEE ELECTIONS, ETHICS & CAMPAIGN FINANCE. This Act relates to the jurisdiction of the Iowa Ethics and Campaign Disclosure Board in relation to gifts, bequests and grants received by a department or accepted by the Governor on behalf of the state.
- [HOUSE FILE 2521](#) - Appropriations — Administration and Regulation
SEE APPROPRIATIONS. This Act relates to and appropriates from the General Fund of the State, and from other funds, to various administrative and regulatory state departments, agencies and funds for FY 2006-2007. The Act increases the maximum monthly payment under the state Employees Disability Insurance Program, applicable for eligible state employees not otherwise covered by a collective bargaining agreement, from \$2,000 per month to \$3,000 per month. The Act also eliminates the Professional Licensing and Regulation Division within the Department of Commerce and reassigns it as a bureau of the Banking Division.
- [HOUSE FILE 2558](#) - Appropriations — Justice System
SEE APPROPRIATIONS. This Act makes changes to the procedures and policies of the Department of Corrections (DOC) related to sending notices of time served and credited to an inmate, deducting child support payments from inmate accounts, and county reimbursement for temporarily confining inmates of DOC. The Act also increases fees payable by persons placed with a judicial district department of correctional services.
- [HOUSE FILE 2562](#) - Law Enforcement Agency Electronic Mail and Telephone Billing Records
SEE CRIMINAL LAW, PROCEDURE & CORRECTIONS. This Act makes electronic mail and telephone billing records of law enforcement agencies confidential for as long as the statute of limitations would have run on a crime that is the subject of those records.
- [HOUSE FILE 2587](#) - Regulation of Financial Institutions
SEE BUSINESS, BANKING & INSURANCE. This Act amends provisions related to the regulation of state banks, bank holding companies, and industrial loan companies by the Superintendent of Banking of the Department of Commerce.
- [HOUSE FILE 2593](#) - Regulation of State Government Ethics and Lobbying
SEE ELECTIONS, ETHICS & CAMPAIGN FINANCE. This Act relates to activities of lobbyists and the ethical conduct of state officials and employees.
- [HOUSE FILE 2665](#) - Volunteer Emergency Service Provider Death Benefit
SEE LOCAL GOVERNMENT. This Act concerns the \$100,000 line of duty death benefit payable on behalf of eligible public safety employees and provides that payment shall be made pursuant to the volunteer emergency services provider death benefit instead of through the applicable retirement system of the deceased public safety

employee if the death qualifies under the volunteer provider line of duty death benefit provisions.

[HOUSE FILE 2754](#)

- Regulation of Renewable Fuels and Energy
SEE AGRICULTURE. This Act provides for the regulation and promotion of biofuel. Departments directly affected by this Act include the Department of Agriculture and Land Stewardship, the Department of Economic Development, the Department of Natural Resources, the Department of Revenue, and the Department of Transportation.

[HOUSE FILE 2768](#)

- State Medical Examiner — Fees
SEE HEALTH & SAFETY. This Act adds to the duties of the State Medical Examiner the collection and retention of fees for medical examiner facility expenses and services related to tissue recovery, and appropriates the fees to the State Medical Examiner's Office.

[HOUSE FILE 2782](#)

- Appropriations — Infrastructure and Capital Projects
SEE APPROPRIATIONS. Division IX of this Act in part creates the Iowa Great Places Program Fund under the authority of the Department of Cultural Affairs (DCA) to fund capital infrastructure projects for identified Iowa Great Places through the Iowa Great Places Program and Division V appropriates \$3 million from the Endowment for Iowa's Health Restricted Capitals Fund to DCA for deposit into the fund. The Act appropriates funds from numerous funds to the Department of Administrative Services for planning, design and construction costs associated with the construction of a new approximately 350,000-gross-square-foot state office building, including costs associated with furnishings, employee relocation, and the demolition of the Wallace Building for FY 2006-2007, FY 2007-2008, FY 2008-2009, and FY 2009-2010.

[HOUSE FILE 2797](#)

- State and Local Government Financial and Regulatory Matters — Appropriations and Miscellaneous Changes
SEE APPROPRIATIONS. This Act relates to state and local finances by providing for funding of property tax credits and reimbursements, by making, increasing, reducing, and transferring appropriations, providing for salaries and compensation of state employees, providing for fees and penalties, providing tax exemptions, and providing for properly related matters. The Act includes a number of provisions affecting state government, including state employee compensation in Division III and state financial and tort claims in Division VI.

[H.J.R. 5](#)

- Proposed Constitutional Amendment — Qualification of Electors
SEE ELECTIONS, ETHICS & CAMPAIGN FINANCE. This Joint Resolution proposes an amendment to the Constitution of the State of Iowa to substitute "mentally incompetent to vote" for the words "idiot" and "insane" relating to the disqualification from voting and holding public office.

STATE GOVERNMENT

[SENATE FILE 2199](#) - Peace Officers' Retirement, Accident, and Disability System — Purchase of Service Credit

BY COMMITTEE ON STATE GOVERNMENT. This Act allows a member of the Iowa Department of Public Safety Peace Officers' Retirement, Accident, and Disability System (PORS) to purchase service for certain public safety employment and have it credited for purposes of calculating a retirement under PORS. The service allowed to be purchased includes service as a gaming enforcement officer, fire inspector, or nonclerical employee of the capitol police prior to July 1, 1994, or as a member of a city fire or police retirement system under Code Chapter 411 prior to January 1, 1992. The member seeking to purchase service must pay the full actuarial cost of the service purchase and must make application for the purchase of service by July 1, 2007.

[SENATE FILE 2231](#) - State Employee Sick Leave

BY COMMITTEE ON STATE GOVERNMENT. This Act makes changes to the accrual rate of sick leave for non-Board of Regents state employees not covered by a collective bargaining agreement and also provides that these employees are eligible, if otherwise qualified, to participate in a sick leave conversion program that allows them to use a portion of their accrued sick leave upon retirement for payment of state group health insurance premiums.

State employees, excluding employees covered under a collective bargaining agreement which provides otherwise, certain peace officers employed within the Department of Public Safety (DPS) or the Department of Natural Resources (DNR), and employees of the State Board of Regents, shall accrue sick leave at a rate dependent on the number of hours of sick leave the employee has accrued. If the employee has accrued 750 hours or less, the employee accrues one and one-half days of sick leave per month. If the employee has accrued 1,500 hours or less, but more than 750 hours, the employee accrues one day of sick leave per month. If the employee has accrued more than 1,500 hours, the employee accrues one-half day of sick leave per month. Peace officer employees not covered by a collective bargaining agreement accrue sick leave based on the collective bargaining agreement for other peace officers. Under current law, which is still applicable to employees of the State Board of Regents, employees accrue one and one-half days of sick leave per month regardless of the employee's accrued sick leave amount.

The credit for accrued sick leave is amended by the Act. Current law, unchanged by the Act, provides that state employees, excluding employees covered under a collective bargaining agreement which provides otherwise, who retire or are eligible to retire and die while in active employment can receive a cash payment of up to \$2,000 for their unused sick leave. The Act provides that eligible state employees, excluding employees covered under a collective bargaining agreement which provides otherwise and employees of the State Board of Regents, may participate in a sick leave conversion program. The program allows eligible state employees who retire and continue state group health insurance coverage to use a portion of the employee's accrued sick leave to pay that portion of the employee's health insurance premium that would otherwise be paid for by the state if the employee were still a state employee. The portion available to be used to pay premiums is calculated dependent on the number of hours of accrued sick leave the employee has accrued. If the employee has unused accrued sick leave of 750 hours or less, the employee receives 60 percent of the remaining accrued sick leave balance after the \$2,000 cash payment for payment of premiums. If the employee has unused accrued sick leave of 1,500 hours or less, but more than 750 hours, the employee receives 80 percent of the accrued sick leave balance after the \$2,000 cash payment for payment of premiums. If the employee has unused accrued sick leave of more than 1,500 hours, the employee receives 100 percent of the accrued sick leave balance after the \$2,000 cash payment for payment of premiums. The payment of premiums from accrued sick leave continues until the balance of the employee's banked value of eligible accrued sick leave is

exhausted, the retiree otherwise becomes eligible for Medicare, or the employee dies. If such an employee returns to permanent full-time or part-time state employment, any unused sick leave balances are forfeited and the employee is not eligible for restoration of the unused sick leave accrued during the prior state employment.

Finally, peace officers employed within DPS and the DNR that are not covered under a collective bargaining agreement shall have a sick leave conversion program extended to them that is equivalent to the sick leave conversion program negotiated under Code Chapter 20 between the state and the State Police Officers Council labor union for peace officers.

SENATE FILE 2253 - Substantive Code Corrections

BY COMMITTEE ON JUDICIARY. This Act contains statutory corrections that adjust language to reflect current practices, insert earlier omissions, delete redundancies and inaccuracies, delete temporary language, resolve inconsistencies and conflicts, update ongoing provisions, or remove ambiguities.

Changes are made in Code and Acts language on the following subjects: court information access fees; Department of Administrative Services' personal property management; state agency emergency adjudicatory authority; the Vision Iowa Bond Reserve Fund; the business accelerator's professional staff; the community empowerment facilitator; port authorities; the Military Justice Code; war orphans education aid; judicial oaths of office; controlled substances; anatomical gift awareness grants; interstate nurse licensure compacts; meat, poultry or dairy establishment inspections; the Cattle Promotion Fund; Iowa Soybean Association Board duties; pasteurized milk regulation; mental health patient advocates; elder care facilities regulation; dependent adult abuse regulation; Medical Assistance Advisory Council responsibilities; workforce and career education; special education reimbursement regulation; federal vocational education and agricultural extension enabling legislation; the Driver's License Indebtedness Clearance Pilot Project; all-terrain vehicles and snowmobiles; sales taxes; deputy city and county assessors; cigarette retailer regulation; municipal solid waste sanitary landfills; environmental covenants; open feedlot regulation; state preserves; cooperative associations; investment adviser representatives; nonprofit health service corporations; motor vehicle service contracts; cemeteries; interior designers; use of trade names; franchise disclosure documents; real estate transfer disclosure documents; paternity determinations and orders for support; calculation of the Enhanced Court Collections Fund allocation; district associate judge jurisdiction; the Criminalistics Laboratory Fund; probate; medical assistance income trusts; mediators' conflicts of interest; pets as prizes; indigent defense costs exclusions; workforce training and economic development funds; Iowa comprehensive health insurance; business corporations; and the parental involvement plan report.

The corrections to the Interstate Nurse Licensure Compact are repealed July 1, 2008. The provisions relating to the enactment of the Uniform Environmental Covenants Act and the indemnification of board members, officers, and employees of cooperative associations take effect April 7, 2006, and apply retroactively to January 1, 2005.

SENATE FILE 2316 - Administrative Rules — Filing and Publication

BY COMMITTEE ON STATE GOVERNMENT. This Act revises the current process for the filing of administrative rules by executive branch agencies; the revisions essentially make the process electronic. The Act makes the Administrative Code Editor primarily responsible for assuring that submitted rules are in the proper style and form but retains the Administrative Code Editor's responsibility to notify the Administrative Rules Coordinator if a rule is not in proper style or form. The Act also requires the Administrative Code Editor to publish rules if the rules submissions meet the filing requirements of Code Chapter 17A.

SENATE FILE 2394 - Regulation of Manufactured, Modular, and Mobile Homes

BY COMMITTEE ON WAYS AND MEANS. This Act transfers, effective January 1, 2007, administration of manufactured or mobile home retailer licensing from the Department of Transportation (DOT) to the State Building Code Commissioner. The Act sets license fees for manufactured or mobile home retailers, manufacturers and distributors. The commissioner is required to use these fees to administer the licensing program and the current certification program for manufactured or mobile home installers.

Pursuant to the Act, retailers no longer need a temporary permit to display new manufactured homes at fairs, shows and exhibitions. Also, retailers are no longer required to obtain special plates from DOT to transport mobile or manufactured homes on the state's highways.

Effective April 26, 2006, factory-built structures that, with the commissioner's approval, meet the State Building Code are exempt from any other state or local building regulations.

Effective April 26, 2006, a licensed retailer or an employee of such retailer need not obtain any state or local authorization to perform utility service connections.

The Act provides for a transition provision that requires DOT to refund unexpired licensing fees, as of January 1, 2007, to the retailer that paid the fee. This provision and the remainder the Act, except as noted, take effect January 1, 2007.

SENATE FILE 2410 - Oversight of Governmental Services and Public Expenditures

BY COMMITTEE ON GOVERNMENT OVERSIGHT. This Act concerns governmental accountability. The Act establishes requirements for provisions governing service contracts that expend government funds, the authority of the Auditor of State to review entities receiving state or federal funds, the authority of the Citizens' Aide (Ombudsman) to investigate and the Public Employment Relations Board (PERB) to hear employment-related complaints concerning disclosures of information, and the authority of the Government Oversight Committee.

The Act creates new Code Chapter 8F, which establishes requirements governing any service contract between a state governmental entity and an intergovernmental or private entity that involves federal or state funds. Service contracts subject to the requirements of this new chapter are primarily for services in which the value of the contract or contracts exceeds \$500,000. Service contracts excluded from the new chapter include contracts concerning transportation services, retirement services, federal social security, utilities, attorneys, vendor services, financial institutions, insurance, and construction contracts, among others. For contracts subject to the new chapter, the Act describes information an entity seeking to receive state or federal funds from a service contract shall certify that it can make available to the agency entering into the service contract. Information required to be available includes documentation as to the governance of the entity, training provided to the governing body of the entity as to its duties and obligations as a governing body, information relative to the performance and compensation of management employees and accounting practices, ethical and professional standards for the entity including provisions on nepotism and conflicts of interest, and a whistleblower policy consistent with rules governing state employees.

Once a service contract subject to the new Code chapter is entered into, the new chapter provides some ongoing requirements for the entity receiving funds. The entity must submit an annual report to the applicable state agency, as well as to the Legislative Services Agency, that includes financial information, any information concerning external audits conducted in the previous year, as well as any changes in the information required to be made available when the contract was entered into. The Act provides an exception to this annual report requirement if the entity is already required to submit similar information pursuant to statute or rule so long as this information is also submitted to the Legislative Services Agency. An entity receiving funds under a service contract must also provide any additional information requested by the

agency or the Legislative Services Agency. Service contracts subject to the new chapter must include provisions for the termination of a contract, and recovery of funds if applicable, for a violation of any requirement of the new chapter.

Entities created under Code Chapter 28E, governing the joint exercise of governmental powers, shall be subject to open meeting and open records requirements as provided in Code Chapters 21 and 22. In addition, the proceedings of such an entity, the bills allowed, and salaries paid shall be published by the entity. However, entities created by public agencies from more than one state are excluded from these requirements.

The Act provides additional authority for the Auditor of State to audit entities receiving federal or state funds from the state. The auditor may conduct the audit if the applicable state department requests the review or the auditor finds evidence that the entity receiving the money may not have complied with the requirements governing those funds. The Act also grants the auditor access to confidential information if the information is used in performance of the auditor's duties. The auditor must maintain the confidentiality of the information received.

The Act grants the Ombudsman authority to investigate complaints by employees not covered by the merit system or a collective bargaining agreement who allege that adverse employment action was taken against them for a disclosure of information.

The Act also amends the section governing disclosures of information by state employees to allow a nonmerit system employee who is not otherwise covered by a collective bargaining agreement to appeal adverse employment action taken against the employee if the employee believes the adverse action was taken in violation of the provisions of this so-called whistleblower section permitting disclosures of information with the Public Employment Relations Board. The right of an employee to enforce their rights under this section through a civil action is unaffected by the Act.

The Government Oversight Committee must review the annual reports, or substitute reports, required to be filed by an entity receiving state or federal funds pursuant to the requirements of new Code Chapter 8F.

[SENATE RESOLUTION 170](#) - **Government Oversight Committee Investigative Authority**
BY COMMITTEE ON GOVERNMENT OVERSIGHT. This Resolution grants specified investigative authority to the Senate standing Committee on Government Oversight to conduct an investigation into the compensation levels, use of public moneys, personnel, operations, funding, and oversight of the Central Iowa Employment and Training Consortium (CIETC), the Department of Workforce Development, and all matters reasonably related thereto. A similar resolution, H.R. 176, was passed by the House of Representatives.

The Resolution provides that the investigation shall be conducted in accordance with the full authority granted the committee by law. This includes but is not limited to the authority to conduct the investigation, call witnesses, administer oaths, issue subpoenas, and cite and impose punishment for contempt. A subpoena may be issued by the co-chairpersons of the committee by mutual agreement, and subpoena authority shall exist for a 90-day period following the date of the Resolution's passage, May 3, 2006. An initial citation for contempt may be issued by a majority vote of the members of the committee and is punishable by a fine of \$500. A second or subsequent citation may also be issued by a majority vote of committee members and is punishable by a fine of \$1,000. In addition to these fines, the Senate may by resolution impose a punishment of imprisonment for a period of up to six months. Subpoenas and citations for contempt require the signature of the co-chairpersons of the committee, the presiding co-president of the Senate for constitutional duties pursuant to S.R. 1, and the Secretary of the Senate.

The Resolution further authorizes the committee to retain two outside special legal counsel to coordinate, direct and conduct the investigation, one to be selected by Republican committee members and one to be selected by Democratic committee members. Provision is made for compensation of the legal counsel. The Resolution states that the legal counsel shall advise and report to the committee as directed by the committee, and that retention of legal counsel, and the conducting of the investigation, will continue until the investigation is completed or until the investigation is terminated by a majority vote of committee members.

The committee may meet at such times and at such places as the co-chairpersons deem necessary, and the committee may coordinate its investigation with a standing committee of the House of Representatives conducting a similar investigation.

HOUSE FILE 537 - Investment of Public Funds

BY COMMITTEE ON COMMERCE, REGULATION AND LABOR. This Act relates to the investment of public funds by the Treasurer of State, state agencies, and public subdivisions in certificates of deposit by permitting public funds that are deposited in a depository and are not covered by federal deposit insurance to be invested in certificates of deposit issued by one or more federally insured banks or savings associations, whether or not located in this state.

Certificates of deposit for public funds issued by financial institutions other than the depository, or one or more orders for the next business day settlement and issuance of such certificates of deposit that cover the uninsured portion of the public funds initially deposited by the public funds depository, shall not be considered public funds deposits in the depository for purposes of calculating the amount of collateral the depository is required to pledge.

When calculating uninsured public funds to determine the amount of an assessment to cover the losses of a public fund depository, a bank shall include all deposits from customers of other financial institutions as authorized under the Act.

HOUSE FILE 729 - Iowa Public Employees' and Judicial Retirement Systems

BY COMMITTEE ON STATE GOVERNMENT. This Act makes changes to the Iowa Public Employees' Retirement System (IPERS) in Code Chapter 97B and the Judicial Retirement System created in Code Chapter 602.

IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM. The Act increases the contributions made to the system by employers and employees beginning July 1, 2007. The Act increases the base employer rate by .3 percentage points per fiscal year and the base employee rate by .2 percentage points per fiscal year for a total of four fiscal years beginning July 1, 2007. No increase in contribution rates shall occur in any of the four fiscal years if the rate to amortize the unfunded actuarial liability of the system in 10 years is less than the total employer and employee contribution rate for the prior fiscal year. If the increases are needed each of the four years, the current employer contribution rate of 5.75 percent will increase to 6.95 percent and the current employee contribution rate of 3.7 percent will increase to 4.5 percent for fiscal years beginning on and after July 1, 2010.

The Act changes the determination of a member's three-year average covered wage used in calculating the retirement benefit for a member who retires on or after July 1, 2007, by providing that a member's three-year average covered wage cannot exceed 121 percent of the member's fourth highest year of wages or, if none, the lowest of the member's three highest years of wages. If the member's three-year average covered wage as of July 1, 2007, is higher, the Act provides that this amount shall be used.

The Act adds a definition for "fully funded" which provides that the system is fully funded if the ratio of assets to liabilities of the system is at least 100 percent using the actuarial method the investment board chooses. No additional moneys shall be credited to the Favorable Experience

Reserve Fund until the system is fully funded and no benefit increases shall be enacted by the system unless the system is fully funded or contribution rates are increased to pay for the benefit increase.

The Act also requires the Public Retirement Systems Committee to conduct a review of pension flexibility issues and to submit its findings and recommendations to the General Assembly in 2007. The committee is charged with examining and considering various supplementary defined contribution and hybrid retirement plans.

JUDICIAL RETIREMENT SYSTEM. The Act changes the manner of determining contributions by judges and the state to the Judicial Retirement Fund. Previously, judges paid 5 percent of their salary and the state paid 23.7 percent of all judges' salaries to the fund until the fund becomes fully funded. The Act provides that judges will pay 6 percent of their salary multiplied by a fraction determined by taking the actual state contribution rate for the fiscal year divided by 23.7. As for the state's contribution, the state will continue to pay 23.7 percent of total pay for each fiscal year until the fund becomes fully funded. The Act changes the definition of "fully funded" to provide that a funded status of 90 percent, instead of 100 percent, is fully funded. Once the system becomes fully funded, the judges and the state will each pay 50 percent of the percentage of the total amount necessary to amortize any unfunded liability of the system within 20 years.

A judge may retire and receive an unreduced retirement allowance after service of 20 years, instead of 25 years, as a judge so long as the judge is at least 50 years of age. A judge vests under the retirement system after four years of service instead of six.

The Act also modifies the calculation of a retirement annuity under the Judicial Retirement System for judges who retire on or after July 1, 2006. For these judges, the Act increases the percentage multiplier used in calculating a judge's retirement annuity from 3 percent to 3.25 percent for each year of service under the retirement system and increases the maximum percentage of the judge's final average salary used in calculating an annuity from 60 percent to 65 percent. A corresponding change is also made in calculating an annuity under the Senior Judge Program for judges who retired and received an annuity on or after July 1, 2006.

HOUSE FILE 2245 - Iowa Public Employees' and Statewide Fire and Police Retirement Systems

BY COMMITTEE ON STATE GOVERNMENT. This Act makes changes to the Iowa Public Employees' Retirement System (IPERS) in Code Chapter 97B and the Municipal Fire and Police Retirement System (MFPRSI) created in Code Chapter 411. The changes to each public retirement system are as follows:

IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM. The Act eliminates a provision that would have changed, in 2008, the calculation of a member's three-year average covered wage from the highest three years of service to the highest 12 consecutive quarters of service.

The Act also changes the maximum account balance on an inactive account that IPERS may distribute in a lump sum to a member from \$3,000 to the amount the IRS permits without requiring IPERS to establish a rollover account for the distribution.

All service as a member in the protection occupation classification counts for determining eligible service for coverage in the sheriffs and deputy sheriffs' category of IPERS.

The Act also extends the modification of the bona fide retirement requirement for licensed health care professionals employed by a public hospital from July 2006 until July 2010. The modification allows a licensed health care professional to return to employment covered under IPERS after only one month following retirement instead of four months.

MUNICIPAL FIRE AND POLICE RETIREMENT SYSTEM. A person restored to active service for the purpose of applying for a pension under MFPRSI is not a member in good standing for purposes of eligibility for a disability retirement pension.

A member who retires and then is reemployed as a police officer or fire fighter by any city covered by the system shall not be eligible to receive their retirement allowance during the period the member is reemployed. Once the member is no longer reemployed, the member's retirement allowance is reinstated.

The system may keep investment-related records and meetings confidential if disclosure would result in a loss to the system or the provider of the investment information.

The existence of a preexisting medical condition, concerning the determination of an accidental disability retirement, can be established if it is reflected in any document obtained through the system's medical protocol or through the disability application process and in existence prior to the date membership commenced.

Cities may pay a member who is temporarily disabled due to a work injury or illness the worker's full pay and allowances from the city's trust and agency funds.

The Act also eliminates a provision that terminated the death benefit otherwise payable to the dependent mother or father of the deceased member of the system if the dependent mother or father remarried.

The system may automatically disburse a refund of contributions for certain members who have left service under the system if the contribution amount to be refunded is less than \$5,000 or the amount the IRS allows. Only terminated, nonvested members of the system who have been absent from active membership for four years or more are eligible. The refunded amount will be distributed to an individual retirement plan designated by the system unless the member elects to receive the distribution directly or as a rollover to an eligible retirement plan.

[HOUSE FILE 2337](#) - Department of Public Safety Organization and Peace Officer Authority

BY COMMITTEE ON PUBLIC SAFETY. This Act provides that a peace officer of the Department of Public Safety (DPS) shall not be called upon for service within a municipality involving an industrial dispute unless a threat of imminent violence exists and the Governor approves the use of such peace officers in the dispute. The provision takes effect April 7, 2007.

Current law provides that a peace officer of DPS shall not be called upon for service within any municipality or in any industrial dispute unless a threat of imminent violence exists and the Governor approves the use of such peace officers in the municipality or dispute.

[HOUSE FILE 2543](#) - Nonsubstantive Code Corrections

BY COMMITTEE ON JUDICIARY. This Act makes Code changes and corrections that are considered to be nonsubstantive and noncontroversial, in addition to style changes.

Changes made include correcting or updating references to or names of various agencies, terms, funds, programs, and entities; adding, correcting or updating references to various Code chapters and sections; updating the style or format of various Code sections; making what can best be described as grammatical or punctuation corrections; correcting misspellings and other minor clerical errors; changing references to various divisions and subunits in the Department of Public Safety to specify that the predecessor divisions and subunits are intended, in language that relates to a past event; standardizing citations and references to various Iowa and federal Acts; and making technical corrections to several Iowa Acts to reflect editorial corrections that were made when the Iowa Acts provisions were codified. The correction made to the 2004 Iowa Acts, Chapter 1076, provision takes effect March 22, 2006, and applies retroactively to

April 14, 2004. The correction made to 2005 Iowa Acts, Chapter 179, Section 98, takes effect March 22, 2006, and applies retroactively to June 16, 2005. The corrections to 2005 Iowa Acts, Chapters 136, 150 and 153, and 2005 Iowa Acts, Chapter 179, Sections 14 and 48, take effect March 22, 2006, and apply retroactively to July 1, 2005.

HOUSE FILE 2571 - Criminal Intelligence Assessment and Intelligence Data — Confidentiality and Release

BY COMMITTEE ON PUBLIC SAFETY. This Act makes an intelligence assessment and intelligence data prepared by the Department of Public Safety a confidential record under Code Section 22.7. "Intelligence data" is defined in Code Section 692.1 to mean information on identifiable individuals compiled in an effort to anticipate, prevent or monitor possible criminal activity. "Intelligence assessment" is defined in Code Section 692.1 to mean an analysis of information based in whole or in part upon intelligence data.

Under current law, Code Section 692.8A governs the dissemination of an intelligence assessment or intelligence data. The Act provides that making an intelligence assessment or intelligence data a confidential record does not prohibit the department from disseminating information about a public health and safety threat advisory or alert. The Act also provides that when an intelligence assessment or intelligence data is disseminated, the assessment or data may be disseminated by press release or other methods of public communication to address a public health and safety threat.

HOUSE FILE 2586 - Liquidated Debts Owed Labor Commissioner and License, Commission, Registration, Certificate, or Permit Issuance

BY COMMITTEE ON COMMERCE, REGULATION AND LABOR. This Act authorizes the Labor Commissioner to delay or, following written notice, deny the issuance of a license, commission, registration, certificate, or permit authorized under Code chapters regulating amusement rides, boiler and unfired steam pressure vessels, elevators, boxing and wrestling, construction contractors, and employment agencies if the applicant owes a liquidated debt to the commissioner.

HOUSE FILE 2632 - Regulation of Real Estate Brokers, Salespersons, and Transfers

BY COMMITTEE ON COMMERCE, REGULATION AND LABOR. This Act relates to real estate, including the licensure of brokers and salespersons, injunctive relief, and disclosures. The Act requires that an application for a real estate broker's or salesperson's license be denied if the applicant has had a professional license of any kind suspended or revoked in another jurisdiction. The Act also provides a statutory definition for the term "listing."

The Act expands a current exemption from licensure to include a "prospective purchaser who does not make repeated and successive transactions of a like character."

The Act requires that a court grant an injunction if it appears to the court that a violation of the real estate licensing laws has occurred or is imminently threatened. The plaintiff is not required to show that the violation or threatened violation would greatly or irreparably injure the plaintiff and the plaintiff is not required to post a bond unless specifically required by the court. The Act also eliminates redundant language relating to the imposition of court costs and attorney fees. The Act exempts transfers of property by a power of attorney from requirements relating to mandatory disclosures relating to the condition of real property.

HOUSE FILE 2686 - Iowa Communications Network — Miscellaneous Changes

BY COMMITTEE ON COMMERCE, REGULATION AND LABOR. This Act makes several technical and substantive changes regarding the operation of the Iowa Communications Network.

The Act deletes a current duty of the Iowa Telecommunications and Technology Commission relating to the annual preparation of a written five-year financial plan for the network and

requires the commission to include in its annual report related to the network the actual income and expenses for the network for the prior fiscal year, estimates for income and expenses for a two-year fiscal period, the amount of General Fund of the State appropriations requested, and recommendations regarding changes to the system.

The Act deletes a provision regarding utilization of an advisory group to examine the use of the network for telemedicine applications, deletes another provision establishing a Telecommunications Advisory Committee to advise the commission on telecommunications matters, and provides that the commission may not only establish but abolish advisory committees representing authorized users of the network and providing other expertise needed to assist the commission in performing its duties.

The Act provides for the crediting of interest to the Iowa Communications Network Fund and the nonreversion of amounts deposited into the fund. The commission shall repay \$1 million of start-up funding from the fund to the General Fund of the State. The first \$250,000 shall be repaid during the fiscal year beginning July 1, 2007, the next \$250,000 shall be repaid during the fiscal year beginning July 1, 2008, and the remaining \$500,000 shall be repaid in a reasonable period of time thereafter. The commission shall conduct a review of the operation of the fund and the extent to which a continued need for funding for cash flow support exists, and shall provide a report summarizing the results of the review to the General Assembly by January 1, 2010. The report shall also include a plan regarding repayment of the remaining \$500,000 in start-up funding in a manner which will not adversely affect network operations, and any other recommendations relating to the fund and the operation of the network.

[HOUSE FILE 2705](#) - **Department of Administrative Services — Miscellaneous Changes**
BY COMMITTEE ON STATE GOVERNMENT. This Act makes changes in specified aspects of the operation of the Department of Administrative Services (DAS).

The Act modifies an existing authorization for advisory groups established by the Technology Governance Board to review requests for proposals to provide that the groups review and approve all concept papers and documentation related to requests for proposals regarding specified information technology devices and services. The Act provides for an exception to the Open Meetings Law for meetings of the board in which requests for proposals are being discussed or reviewed prior to issuance if conducting a closed meeting is approved by a majority vote of the board. However, all board actions and decisions regarding a request for proposals must be made in an open meeting and appropriately recorded.

Notwithstanding provisions which prohibit public disclosure of sealed bids, if a competitive bidding procedure used by DAS involves the use of a reverse auction or similar competitive bidding procedure requiring the disclosure of bid information submitted by vendors, DAS shall disclose the bid information as necessary and appropriate.

The Act eliminates inconsistent language regarding the development and adoption of information technology standards by DAS and the board, and their application, and includes political subdivisions within the definition of "state agency" for purposes of establishing a debt collection setoff procedure for collection of debts owed to the state or its agencies. Currently, political subdivisions are specifically excluded from the definition.

[HOUSE FILE 2712](#) - **Statewide Fire and Police Retirement System — Deferred Retirement**

BY COMMITTEE ON STATE GOVERNMENT. This Act establishes a deferred retirement option plan (DROP) for members of the Municipal Fire and Police Retirement System (MFPRS) created in Code Chapter 411.

Members of MFPRSI who are at least 55 years of age and have at least 22 years of service are eligible to participate in the DROP plan. The DROP plan provides that an eligible member can delay retirement, continue working for a set number of additional years not to exceed five years, and have a portion of the retirement allowance they otherwise would have received if they had retired instead of participating in the DROP plan deposited in an account that is then distributed to them when they eventually retire. The member's retirement allowance once the member finally leaves work is set at the time the member enters the DROP plan.

Upon electing to participate in the DROP plan, the eligible member continues to work but has a portion of the retirement allowance they would have received if they had decided to retire credited to an account which is equal to a percentage of the retirement allowance they would have received. The percentage rate is in a range from 52 percent up to a maximum of 100 percent based upon the number of months between the month the member first became eligible to participate in the DROP plan and the month the member actually participates. The amount deposited in the member's account does not accrue interest or dividends. Upon termination from the DROP plan, the eligible member begins to receive a retirement allowance based upon the amount the member would have received when the member commenced participation in the DROP plan plus the amount in the member's account. The Act also contains a penalty for early withdrawal from the DROP plan and a provision increasing the employee's contribution rate if the DROP plan increases the cost of the retirement system.

The DROP plan shall not be implemented until the system receives a favorable ruling from the Internal Revenue Service.

HOUSE FILE 2713 - Public Improvement Contracts and Bid Procedures

BY COMMITTEE ON STATE GOVERNMENT. This Act establishes procedures for governmental entities to follow when entering into contracts for the construction of public improvements. Except for the State Board of Regents and the Department of Transportation (DOT), the procedures apply to the state, political subdivisions of the state, and public school corporations.

A governmental entity is required to follow certain competitive bidding procedures if the cost of the public improvement exceeds \$100,000. Additionally, a governmental entity is required to follow certain competitive quotation procedures if the cost of the public improvement is less than \$100,000 and yet exceeds the following threshold amounts:

1. For a county, including a county hospital, \$67,000.
2. For a city having a population of 50,000 or more, \$51,000.
3. For a school district having a population of 50,000 or more, \$51,000.
4. For an aviation authority created within a city having a population of 50,000 or more, \$51,000.
5. For a city having a population of less than 50,000, for a school district having a population of less than 50,000, and for any other governmental entity, \$36,000.
6. The threshold amount applied to a city applies to a city hospital.

The Director of DOT shall appoint a vertical infrastructure bid threshold subcommittee. This subcommittee may adjust the competitive and quotation bid thresholds for public improvements. However, the \$100,000 competitive bid threshold cannot be adjusted to be effective prior to January 1, 2012. The Act also designates a horizontal infrastructure bid threshold subcommittee for highway, bridge or culvert projects.

The Act also provides payment procedures applicable to a governmental entity and DOT. A conforming change in the payment procedures for the State Board of Regents takes effect March 29, 2006.

The provisions of the Act pertaining to the bid threshold subcommittees and requiring DOT to promulgate rules take effect March 29, 2006. The remainder of the Act takes effect January 1, 2007, and applies to public improvement contracts entered into on or after January 1, 2007.

HOUSE JOINT RESOLUTION 2006 - Nullification of Administrative Rule — Mandatory Reporting by Iowa Board of Dental Examiners Licensees

BY EICHHORN. This Joint Resolution nullifies certain rules promulgated by the Board of Dental Examiners. Those provisions required a board licensee (dentist, dental hygienist, or dental assistant) to report to the board acts or omissions of a licensee that could result in the imposition of licensee discipline. The statutory language, set out in Code Section 272C.4, subsection 6, required licensees to report acts or omissions that are grounds for revocation or suspension of a license.

The Joint Resolution takes effect May 3, 2006.

HOUSE RESOLUTION 176 - Government Oversight Committee Investigative Authority

BY COMMITTEE ON GOVERNMENT OVERSIGHT. This Resolution grants specified investigative authority to the House standing Committee on Government Oversight to conduct an investigation into the compensation levels, use of public moneys, personnel, operations, funding, and oversight of the Central Iowa Employment and Training Consortium (CIETC), the Department of Workforce Development, and all matters reasonably related thereto. A similar resolution, S.R. 170, was passed by the Senate.

The Resolution provides that the investigation shall be conducted in accordance with the full authority granted the committee by law. This includes but is not limited to the authority to conduct the investigation, call witnesses, administer oaths, issue subpoenas, and cite and impose punishment for contempt. A subpoena may be issued by the chairperson of the committee, and subpoena authority shall exist for a 90-day period following the date of the Resolution's passage, May 3, 2006. An initial citation for contempt may be issued by a majority vote of the members of the committee and is punishable by a fine of \$500. A second or subsequent citation may also be issued by a majority vote of committee members and is punishable by a fine of \$1,000. In addition to these fines, the House of Representatives may by resolution impose a punishment of imprisonment for a period of up to six months. Subpoenas and citations for contempt require the signature of the chairperson of the committee, the Speaker of the House of Representatives, and the Chief Clerk of the House of Representatives. Warrants for contempt must be signed by the speaker and the chief clerk.

The Resolution further authorizes the committee to retain two outside special legal counsel to coordinate, direct and conduct the investigation, one to be selected by Republican committee members and one to be selected by Democratic committee members. Provision is made for compensation of the legal counsel. The Resolution states that the legal counsel shall advise and report to the committee as directed by the committee, and that retention of legal counsel, and the conducting of the investigation, will continue until the investigation is completed or until the investigation is terminated by a majority vote of committee members.

The committee may meet at such times and at such places as the chairperson deems necessary, and the committee may coordinate its investigation with a standing committee of the Senate conducting a similar investigation.

TAXATION

- [SENATE FILE 2390](#) - Sales and Use Tax — Telecommunications Providers — Central Office and Transmission Equipment
- [SENATE FILE 2391](#) - Property Tax — Machinery, Equipment, and Fixtures at Concrete Mixing and Hot Mix Asphalt Facilities
- [SENATE FILE 2398](#) - Solar Energy Equipment Sales Tax Exemption
- [SENATE FILE 2402](#) - Soy-Based Transformer Fluid Tax Credits
- [SENATE FILE 2408](#) - Income Taxation of Elderly Persons
- [SENATE FILE 2409](#) - Individual Income Taxes — School Tuition Organization Contributions
- [HOUSE FILE 864](#) - Sales and Use Tax Exemption and Refund — Collaborative Educational Facility Building Materials and Services
- [HOUSE FILE 2461](#) - Internal Revenue Code References and Income Tax Provisions
- [HOUSE FILE 2465](#) - Individual Income Tax and Capital Gains — Holding Period
- [HOUSE FILE 2633](#) - Waste Glass Recycling — Tax Exemption
- [HOUSE FILE 2751](#) - Military Service Tax Credit
- [HOUSE FILE 2764](#) - School District Property Tax Sharing Agreements
- [HOUSE FILE 2794](#) - Taxes, Tax Policy, and Administration

RELATED LEGISLATION

- [SENATE FILE 2232](#) - Appropriations — Transportation
SEE APPROPRIATIONS. This Act makes an appropriation from the Primary Road Fund to the Department of Transportation for development of the International Fuel Tax Administration System to provide for uniform distribution of fuel tax revenues from commercial motor vehicles traveling between jurisdictions in the United States and Canada.
- [SENATE FILE 2253](#) - Substantive Code Corrections
SEE STATE GOVERNMENT. This Act excludes manufactured home communities from the definition of "nonresidential commercial operations" under the "Sales and Use Taxes" Code chapter and eliminates obsolete provisions relating to the issuance of restricted eligibility certificates for deputy city and county assessors.
- [SENATE FILE 2268](#) - Agricultural Production Tax Incentives
SEE AGRICULTURE. This Act amends Code Section 423.3, which provides exemptions from the state's sales tax, including farm machinery and equipment associated with crop production, animal agriculture, or horticulture. This part of the Act takes effect on January 1, 2007, and applies to tax years beginning on or after that date. The Act also extends the type of farm machinery and equipment eligible for the exemption by including auger systems, fan systems, and refrigerators. This part of the Act takes effect June 2, 2006, and applies retroactively to January 1, 1992. It limits the amount that may be refunded to a person who paid the sales tax on and after that date to \$25,000.

- [SENATE FILE 2312](#) - Injured Veterans Grant Program
SEE PUBLIC DEFENSE & VETERANS. This Act establishes an Injured Veterans Grant Program under the control of the Department of Veterans Affairs. Grants received under this program and donations made to the department for this program are subtracted from net income for purposes of the Iowa income tax for tax years beginning on or after January 1, 2006.
- [SENATE FILE 2330](#) - Iowa Lottery — Monitor Vending Machines
SEE GAMING. This Act prohibits the Iowa Lottery Authority from allowing retailers to offer monitor vending machines (TouchPlay machines) to the public. The Act provides for an excise tax of 65 percent on revenues generated by monitor vending machines after the date the machines are prohibited. The Act takes effect March 20, 2006.
- [SENATE FILE 2399](#) - Renewable and Wind Energy Tax Credits
SEE ENERGY & PUBLIC UTILITIES. This Act amends the requirements for the wind energy production tax credit and the renewable energy tax credit which may be applied to the state personal or corporate income tax, franchise tax, sales and use tax, insurance company tax, or replacement tax.
- [HOUSE FILE 2351](#) - Eminent Domain — VETOED BY THE GOVERNOR — VETO OVERRIDDEN
SEE LOCAL GOVERNMENT. This Act makes changes to the law relating to eminent domain authority and the procedure by which eminent domain authority is exercised (condemnation). The Act also makes changes relating to the income tax consequences for persons whose property has been condemned.
- [HOUSE FILE 2644](#) - Human Services Programs and Regulation — Miscellaneous Changes
SEE CHILDREN & YOUTH. This Act includes a technical change to the Individual Development Account Program for persons with low incomes by allowing the state income tax refund under the program to be paid directly to the account holder.
- [HOUSE FILE 2654](#) - County Treasurer Duties, Motor Vehicle Regulation, and Public Nuisance Tax Sales
SEE LOCAL GOVERNMENT. This Act makes changes to the powers and duties of county treasurers relating to property taxation.
- [HOUSE FILE 2708](#) - Veterans Trust Fund — Funding
SEE PUBLIC DEFENSE & VETERANS. This Act establishes an income tax checkoff for the Veterans Trust Fund for the tax year beginning January 1, 2006.
- [HOUSE FILE 2731](#) - Urban Renewal — Targeted Jobs Withholding Tax Credit
SEE ECONOMIC DEVELOPMENT. This Act allows four pilot project cities to assist in funding projects in their urban renewal areas by means of a targeted jobs credit from income tax withholding for a period of 10 years.
- [HOUSE FILE 2748](#) - Public Health Licensing Boards — Duties and Fees
SEE HEALTH & SAFETY. This Act provides for the retention of fees imposed and collected by health licensing boards listed in Code Section 147.80, by the Department of Public Health for the Bureau of Professional Licensure and by the Bureau of Radiological Health.

- [HOUSE FILE 2754](#) - Regulation of Renewable Fuels and Energy
SEE AGRICULTURE. This Act provides for the regulation and promotion of biofuel.
- [HOUSE FILE 2759](#) - Renewable Fuels — Appropriations, Tax Credits, and Special Funding
SEE AGRICULTURE. This Act is closely related to H.F. 2754 (see Agriculture), which provides for the regulation and promotion of biofuel and renewable fuel. The Act contains a number of provisions which amend H.F. 2754, including by providing that the ethanol promotion tax credit expires on January 1, 2021, instead of January 1, 2025; altering the calculation of the ethanol promotion tax credit by a retail dealer whose tax year is not on a calendar year basis; and correcting a reference to the calculation required to achieve a retail dealer's biofuel threshold percentage.
- [HOUSE FILE 2774](#) - City Employee Pensions and Benefits — Employer Contributions
SEE LOCAL GOVERNMENT. This Act allows a city to contribute to pension and related employee benefits for personnel of another city or governmental entity pursuant to certain contracts.
- [HOUSE FILE 2777](#) - Urban Renewal — Certifications of Amounts of Loans, Advances, Indebtedness, or Bonds
SEE LOCAL GOVERNMENT. This Act makes changes relating to the information required to be certified to the county auditor for purposes of urban renewal and incremental property taxes.
- [HOUSE FILE 2791](#) - Economic Development — Endow Iowa Tax Credit and County Endowment Fund Changes
SEE ECONOMIC DEVELOPMENT. This Act eliminates the repeal of the Endow Iowa Tax Credit and increases the aggregate amount of tax credits authorized in a calendar year by an amount equal to the amount generated for this purpose from a distribution of gambling tax revenues generated in the prior fiscal year. The Act takes effect July 1, 2007.
- [HOUSE FILE 2792](#) - Government Operations, Education Programs, Finance and Taxation, and Parental Rights
SEE EDUCATION. Division III of this Act provides for an alternative additional levy calculation each year under the school finance formula and the calculation of a statewide maximum additional levy amount, restricts utilization of revenue pursuant to a tax imposed under Code Chapter 423B for the benefit of school districts which have not imposed a local sales and services tax for school infrastructure purposes, provides for increased retention of revenue from the local sales and services tax for school infrastructure purposes in specified school districts for a specified duration, and requests the Legislative Council to form a two-year interim study committee relating to property tax equity under the school finance formula. Division IV of the Act establishes an individual income tax return checkoff for the Keep Iowa Beautiful Fund and the Volunteer Fire Fighter Preparedness Fund.
- [HOUSE FILE 2797](#) - State and Local Government Financial and Regulatory Matters — Appropriations and Miscellaneous Changes
SEE APPROPRIATIONS. This Act relates to state and local finances by providing for funding of property tax credits and reimbursements; making, increasing, reducing, and transferring appropriations;

providing for salaries and compensation of state employees; providing for fees and penalties; providing tax exemptions; and providing for properly related matters. The Act includes a number of provisions affecting state and local tax matters.

TAXATION

[SENATE FILE 2390](#) - Sales and Use Tax — Telecommunications Providers — Central Office and Transmission Equipment

BY COMMITTEE ON WAYS AND MEANS. This Act exempts from sales and use taxes beginning July 1, 2012, central office equipment and transmission equipment sold or rented for use in transporting communications services by local exchange carriers, competitive local exchange service providers, certain franchised cable television operators, mutual companies, cooperatives, municipal utilities not subject to rate regulation, long distance companies, and commercial mobile radio services. From July 1, 2006, until June 30, 2012, the taxes on such equipment shall be paid, but a refund may be applied for. The amount of the refund is one-seventh of the tax for sales or rentals occurring in FY 2006-2007. The refund increases each succeeding fiscal year by another one-seventh of the tax paid.

The Act defines "central office equipment" as equipment used in initiating, processing, amplifying, switching, or monitoring of telecommunications services and any ancillary equipment. "Transmission equipment" is defined as equipment utilized in sending information and any ancillary equipment.

[SENATE FILE 2391](#) - Property Tax — Machinery, Equipment, and Fixtures at Concrete Mixing and Hot Mix Asphalt Facilities

BY COMMITTEE ON WAYS AND MEANS. This Act provides that machinery, equipment and fixtures used to process raw materials into concrete at a concrete mixing facility are not buildings, structures and improvements for purposes of property taxation, nor are they considered attached for purposes of property taxation. The Act further provides that a hot mix asphalt facility is not considered attached for purposes of property taxation.

The Act takes effect May 31, 2006, and applies retroactively to assessment years beginning on or after January 1, 2006.

[SENATE FILE 2398](#) - Solar Energy Equipment Sales Tax Exemption

BY COMMITTEE ON WAYS AND MEANS. This Act exempts from the sales and use taxes the sale of equipment that is primarily used to collect and convert incident solar radiation into thermal, mechanical or electrical energy or the sale of equipment that is primarily used to transform such converted solar energy to a storage point or to a point of use.

[SENATE FILE 2402](#) - Soy-Based Transformer Fluid Tax Credits

BY COMMITTEE ON WAYS AND MEANS. This Act provides a soy-based transformer fluid tax credit to electric utilities under the individual and corporate income, sales and use, and replacement taxes. Soy-based transformer fluid is nonconductive fluid that contains at least 98 percent soy-based products. The tax credit equals the purchase and replacement costs incurred by an electric utility in making the transition from using nonsoy-based transformer fluid to using soy-based transformer fluid. The costs must meet three other requirements: they were incurred after June 30, 2006, and before January 1, 2008; they were incurred in the first 18 months of the transition to using soy-based transformer fluid; and the credit of the soy-based transformer fluid used in the transition is limited to \$2 per gallon, up to 20,000 gallons per electric utility. The total amount of soy-based transformer fluid eligible for a tax credit is not to exceed 60,000 gallons. Any credit in excess of tax liability is refundable. The credit

applies to tax years ending after June 30, 2006, and beginning before January 1, 2008. The credit is repealed December 31, 2008.

SENATE FILE 2408 - Income Taxation of Elderly Persons

BY COMMITTEE ON WAYS AND MEANS. This Act makes changes to the individual income tax that affects the tax liability of elderly individuals.

Code Section 422.5, new subsections 2A and 2B, are enacted, which provide that no tax is owed if an individual is 65 years of age and has a net income of less than \$24,000 if the individual is married, a head of household, or a surviving spouse, and \$18,000 for all other persons. These amounts apply to the 2007 and 2008 tax years. Beginning with the 2009 tax year, the amounts are increased to \$32,000 and \$24,000, respectively. The total amount of a lump sum distribution subject to federal tax is to be included in income for purposes of determining eligibility under new subsection 2A or 2B, as applicable.

The Act phases out the tax on social security benefits, beginning with the 2007 tax year and ending with the 2014 tax year when the entire amount of social security benefits is exempt from tax.

SENATE FILE 2409 - Individual Income Taxes — School Tuition Organization Contributions

BY COMMITTEE ON WAYS AND MEANS. This Act provides for an individual income tax credit equal to a maximum of 65 percent of the voluntary contributions made to a school tuition organization that is exempt from federal income tax. At least 90 percent of total contributions must be used by the school tuition organization to provide tuition grants to students who are members of households that have total annual incomes of not more than three times the most recently published federal poverty guidelines. The contribution may not be deducted as a charitable deduction for state tax purposes or be designated for the direct benefit of the taxpayer's dependents or any other student designated by the taxpayer. The school tuition organization must limit these tuition grants to children that reside in Iowa, must provide grants to students at more than one school, and must only provide grants to students of low-income families. The tuition grants are to be used to allow the students to attend a nonpublic elementary or secondary school located in the state.

The tax credit is claimed by means of the attachment of tax credit certificates to the taxpayer's tax return. A school tuition organization is authorized to issue the tax credit certificates in amounts equal to the total certified enrollment of the schools served by it multiplied by a per student tax credit amount. The amount is determined by dividing the total approved tax credits by the total enrollment of all of the schools served by the student tuition organizations. The total approved tax credits are \$2.5 million for the 2006 tax year and \$5 million for all subsequent tax years.

The school tuition organization must report to the Department of Revenue information related to the amount of contributions made to the organization, and the number, the school, and the amount of grants awarded.

The Act takes effect June 2, 2006, and applies retroactively to tax years beginning on or after January 1, 2006.

HOUSE FILE 864 - Sales and Use Tax Exemption and Refund — Collaborative Educational Facility Building Materials and Services

BY COMMITTEE ON WAYS AND MEANS. This Act provides for a sales and use tax exemption for sales of materials and services furnished pursuant to a written construction contract for the construction of a building and any addition to a building to be used as a collaborative educational facility. If sales or use tax has been paid, a refund of any taxes may be applied for.

To be eligible for the exemption or refund, the construction contract must be entered into on or after April 1, 2003; the building or additions must be located within a city in the state with a population in excess of 195,000 residents; the building or addition must be used to provide facilities for a collaborative of public and private educational institutions to provide education to students; and the owner must be a nonprofit corporation organized in Iowa which is exempt from federal income taxation.

A refund for taxes paid under a construction contract for the original construction of the building must be filed by June 30, 2006, and applies to sales and use taxes paid on materials and services provided between April 1, 2003, and June 30, 2005. A refund for taxes paid under a construction contract for additions to the original building must be filed within one year following final settlement on the completion of the addition.

The Act contains effective and retroactive applicability date provisions.

[HOUSE FILE 2461](#) - **Internal Revenue Code References and Income Tax Provisions**
BY COMMITTEE ON WAYS AND MEANS. This Act updates the references to the Internal Revenue Code to make the federal income tax revisions enacted by Congress in 2005 applicable for Iowa income tax purposes.

General definitions sections in the income tax chapter of the Iowa Code are amended to update the reference to the Internal Revenue Code, and other chapters of the Iowa Code are amended to reference that definition.

The Act updates the Iowa Code references to the state research activities credit for individuals, corporations, corporations in economic development areas, and corporations in quality jobs enterprise zones to include the 2005 federal changes in the research activities credit.

The Act provides for the deduction of \$2,000 for individuals who buy clean fuel motor vehicles if the taxpayers are eligible for the federal tax credit for such motor vehicles.

The Act is retroactively applicable to January 1, 2005, for tax years beginning on or after that date.

The Act takes effect May 30, 2006.

[HOUSE FILE 2465](#) - **Individual Income Tax and Capital Gains — Holding Period**
BY COMMITTEE ON WAYS AND MEANS. This Act requires that the computation of the holding period for purposes of the capital gains deduction under Code Section 422.7 be determined in the same manner as the holding period of assets is determined for federal tax purposes under Internal Revenue Code Section 1223. In determining whether the required 10-year holding period has been satisfied, these provisions will, in some cases, add the holding period of other property, such as property received in a like-kind exchange, property received by gift, or property purchased from the proceeds of an involuntary conversion, or will add the holding period of another owner to the holding period of the taxpayer.

The Act takes effect March 29, 2006, and applies retroactively to January 1, 2006, to sales made on or after January 1, 2006, during tax years ending on or after that date.

[HOUSE FILE 2633](#) - **Waste Glass Recycling — Tax Exemption**
BY COMMITTEE ON ENVIRONMENTAL PROTECTION. This Act adds waste glass to the list of items converted by recycling property for which an exemption from property taxes may be claimed. The Act applies to property taxes due and payable in fiscal years beginning on or after July 1, 2007.

[HOUSE FILE 2751](#) - Military Service Tax Credit

BY COMMITTEE ON WAYS AND MEANS. This Act changes the length of active duty service required for former members of the U.S. armed forces to be eligible to receive the military service property tax exemption and credit. The length of active duty service required is changed from three years to 18 months. A former member of the armed services who served fewer than 18 months and was honorably discharged because of a service-related injury is eligible for the property tax exemption and credit.

The Act takes effect May 8, 2006, and applies to military service tax credits and exemptions for taxes due and payable for fiscal years beginning on or after July 1, 2006.

[HOUSE FILE 2764](#) - School District Property Tax Sharing Agreements

BY COMMITTEE ON WAYS AND MEANS. This Act allows a school district to enter into a Code Chapter 28E agreement with a contiguous school district to share school property taxes collected from that portion of the incremental value in an urban renewal area that has been released to the school district by the municipality that created the urban renewal area.

[HOUSE FILE 2794](#) - Taxes, Tax Policy, and Administration

BY COMMITTEE ON WAYS AND MEANS. This Act makes policy and administrative changes to the tax law and related matters handled by or affecting the Department of Revenue (DOR) or local jurisdictions and makes changes to update the Streamlined Sales and Use Tax Law.

Division I — Tax Administration and Policy

Code Section 15E.193B is amended to state that replacement tax credit certificates for the eligible housing investment tax credit, when transferred, are to be issued by DOR instead of being issued by the Department of Economic Development (DED).

Code Sections 68A.102, 257.21, 422.10(4), 422.12C(1) and (2), and 422D.2 are amended to state that all nonrefundable income tax credits are subtracted in determining Iowa individual income tax liability.

Code Section 331.605B is amended to limit a county recorder to collecting only statutorily authorized fees for land records management. A fee shall not be collected for viewing, accessing or printing documents in the County Land Record Information System unless specifically authorized.

Code Section 368.11 is amended to provide that if the city council provides for a transition for the imposition of city taxes against property to be annexed, all property in the annexation area must also receive the transition.

Code Section 404A.4 is amended to state that replacement tax credit certificates for the historic preservation and cultural and entertainment district tax credit, when transferred, are to be issued by DOR instead of being issued by the State Historic Preservation Office of the Department of Cultural Affairs.

Code Section 421.17(14) is amended to delete the requirement that the Director of Revenue publish in pamphlet form the revenue laws of the state and distribute them to county auditors, assessors, and boards of review.

Code Section 422.5(1)(j) is amended to state that all checkoffs and all tax credits are not affected by the allocation of income available to resident shareholders of S corporations.

Code Sections 422.5(1)(k), 422.5(2) and 422.9(1) are amended to strike the reference to unmarried heads of household since there are instances when heads of household can be married.

Code Section 422.6 is amended to state that all nonrefundable credits are subtracted in determining the Iowa fiduciary income tax.

Code Section 422.7(21) is amended to strike the reference to "employed in a business" for purposes of the capital gains exclusion from income tax since such employment is already an element in the material participation test under Section 469(h) of the Internal Revenue Code.

Code Sections 422.10 and 422.33(5) are amended to provide a reference to the additional research activities credit authorized pursuant to Code Section 15.335. Code Section 422.33(5) is also amended to provide a reference to the alternative research and activities credit in Code Section 15A.9(8).

Code Section 422.11 is amended to state that credits allowed under Code Section 422.12B are subtracted before determining the franchise tax credit.

Code Sections 422.11B, 422.33(7), 422.60(2), and 422.60(3) are amended to eliminate references to sections of the Internal Revenue Code relating to the alternative minimum tax which have been repealed.

Code Sections 422.11F, 422.33(12) and 422.60(5) are amended to state that the investment tax credit relates to investments in a qualifying business or a community-based seed capital fund and to add a reference to the investment tax credits authorized pursuant to Code Sections 15.333 and 15E.193B(6), and also Code Section 15A.9(4) for corporations.

New Code Section 422.11M provides a reference to the tax credit for investments in the Iowa Fund of Funds authorized pursuant to Code Section 15E.66.

Code Section 422.12(3) is amended to provide the same definition for a married individual as set forth in Section 7703 of the Internal Revenue Code.

Code Sections 422.12A and 422.12F are amended to correct references to DOR reorganization due to the creation of the Department of Administrative Services.

Code Section 422.12C(2) is amended by striking paragraph "b," which places a limit of \$2.5 million on the amount of early childhood development tax credits that may be allowed for any fiscal year.

New Code Sections 422.12G and 422.12H provide references to the income tax checkoffs for the Iowa Election Campaign Fund and the State Fish and Game Protection Fund.

Code Sections 422.33 and 422.60 are amended to add new subsections to refer to the tax credits for certain sales taxes paid by a third-party developer authorized pursuant to Code Section 15.331C, and the tax credit for investments in the Iowa Fund of Funds authorized pursuant to Code Section 15E.66.

Code Section 423.3(18) is amended to exempt the sale of tangible property and services to home and community-based service providers certified to offer Medicaid waiver services by the Department of Human Services.

Code Section 423.3(39), relating to the sales tax exemption for casual sales, is amended to include as a casual sale the furnishing of a service which is recurring if the seller is not in the business of selling or furnishing services, the seller is a full-time student, and the total gross receipts from these recurring sales and services do not exceed \$5,000 in a calendar year.

Code Section 423.3(50) is amended to exempt from tax the sale of fuel consumed for processing or for generating electric current.

Code Section 423.3(86), relating to the exemption from the sales tax of repair services performed on certain river vessels, is amended to eliminate the condition that the vessel not be moored or tied to a physical location in this state and provides that the vessel is in navigable waters bordering the state rather than just the eastern border. The amendment also defines, for purposes of the exemption, "vessel" as including a ship, barge, or other waterborne vessel.

Code Section 423.3 is amended to add a new exemption from the sales tax for the sale of coins, currency and bullion.

Code Section 423.6(10) is amended to provide that the exemption from the use tax on motor vehicles transferred from one business entity to a corporation applies to corporations that have been in existence for not longer than 24 months.

Code Section 423.6 is amended to establish that the exempted purchase price of a vehicle withdrawn from a motor vehicle dealer's inventory to be used as a replacement for a motor vehicle that was registered and the tax was paid at the time of registration is the fair market value of the replaced vehicle. This has the effect of allowing a trade of the registered motor vehicle against the value of the new motor vehicle to be used in determining the price subject to the use tax. Six criteria must be met in order to compute the fair market value subject to use tax of the new motor vehicle.

Code Section 423.8 is amended to express the intent of the General Assembly that Iowa sellers be provided assistance to alleviate the administrative burdens of the state's participation in the Streamlined Sales and Use Tax Agreement.

Code Section 423.9 is amended to codify the present Iowa representatives to the governing board established pursuant to the agreement.

New Code Section 423.9A is added to establish an Iowa Streamlined Sales Tax Advisory Council made up of a member of DOR and representatives from businesses and consumers to review, study, and make recommendations to the Iowa representatives to the governing board regarding the agreement.

Code Section 423.33(3) is amended to specify how the casual sales tax exemption would apply to a person sponsoring a sales event.

Code Section 423.37(2) is amended to allow DOR to use various sampling techniques to establish the amount of tax due for a sales or use tax return.

Code Sections 423B.1 and 423B.5 are amended to authorize contiguous counties to enter into joint agreements relating to local option sales tax elections and to provide that, in the event of elections conducted under a joint agreement between contiguous counties, all cities contiguous to each other shall be treated as one incorporated area, even if the corporate boundaries of one or more cities include areas of more than one county.

Code Section 425.11(4) is amended to include in the definition of "owner" for purposes of the homestead credit the person occupying the homestead as a member of a community land trust so long as the person is liable for and pays the property taxes. This amendment takes effect June 1, 2006, and applies to taxes due and payable in fiscal years beginning on or after July 1, 2006.

Code Section 427.1(2) is amended to expand the exemption from property taxation of property owned by a city or county to include property which is located at an airport and leased to a fixed base operator providing aeronautical services to the public.

Code Section 427.1(21A) is amended to require that a nonprofit organization requesting a property tax exemption for providing low-rent housing for the 2007 and subsequent assessment years file a claim for exemption with the assessor. Upon approval of the claim, further filing is not required. This section of the Act was subsequently repealed in H.F. 2797 (see Appropriations), but the modified language was incorporated into that Act.

Code Section 427A.1 is amended to provide that equipment used in washing, waxing, drying, and vacuuming motor vehicles is not to be assessed and taxed as real property. This amendment takes effect June 1, 2006, and applies retroactively to assessment years beginning on or after January 1, 2006.

Code Section 432.12C is amended to state that the investment tax credit relates to investments in a qualifying business or a community-based seed capital fund and adds a reference to the investment tax credits authorized pursuant to Code Sections 15.333A and 15E.193B(6).

New Code Sections 432.12H and 432.12I provide references to the tax credit for certain sales taxes paid by a third-party developer authorized pursuant to Code Section 15.331C, and the tax credit for investments in the Iowa Fund of Funds authorized in Code Section 15E.66.

Code Section 441.38(2) is amended to require a taxpayer to file a notice of appeal to the district court with the local board of review or with the secretary of the Property Assessment Appeal Board, as applicable, after the filing of the notice of appeal with the district court.

Code Section 468.55 is amended to allow the landowner to pay the annual drainage or levee tax assessments in two equal payments similar to regular property taxes.

Code Section 533.24 is amended to add new subsections to provide references to the investment tax credit authorized pursuant to Code Section 15.333, the tax credit for certain sales taxes paid by a third-party developer authorized pursuant to Code Section 15.331C, and the tax credit for investments in the Iowa Fund of Funds authorized pursuant to Code Section 15E.66.

2005 Iowa Acts, Chapter 140, Section 72, is amended to increase the aggregate amount of refunds from \$25,000 to \$50,000 as a result of claims filed for the retroactive exemption from sales tax of drainage tile materials.

2005 Iowa Acts, Chapter 179, Section 100, is amended to strike the requirements for the Auditor of State to provide staffing services for the County Real Estate Electronic Government Advisory Committee and to extend the deadline to November 1, 2006, by which the committee must submit an updated integration plan to the Governor and General Assembly.

2005 Iowa Acts, Chapter 179, Section 101, is amended to repeal the subsection relating to fees that may be charged for records management because this provision has been codified.

Division II — Streamlined Sales and Use Tax Updates

Division II updates the references to the Iowa Sales and Use Tax Law as implemented by the Streamlined Sales and Use Tax Agreement. There were a number of amendments to the agreement which need to be included in the sales and use tax laws.

Code Section 423.2(8) is amended to reflect a revision to the bundled transaction provision. A bundled transaction involves the sale of two or more products which are distinct and identifiable, and the products are sold for one nonitemized price.

Code Section 423.18 is amended to reflect a revision to the multiple points of use provision. The revision provides that a business purchaser of digital goods, software, or a service that will be used in more than one jurisdiction is to deliver to the seller an exemption certificate claiming

multiple points of use. Upon receipt of this certificate, the seller is relieved of collecting tax and the purchaser must pay tax on an apportionment basis. If the purchaser does not have the certificate, the purchaser and seller will jointly arrive at the apportionment.

Code Sections 423.20(1) and 423.20(2) are amended to add new provisions related to prepaid wireless calling service and the method of sourcing such service. Prepaid wireless calling service is a telecommunications service that provides the right to utilize mobile wireless service as well as other nontelecommunications services, including the download of digital products delivered electronically which are paid for in advance and sold in predetermined units which decline upon use.

Code Section 423.45(4) is amended to conform the exemption certificate requirements for all retailers to the requirements for retailers registered under the agreement. The amendments take effect June 1, 2006.

Code Section 423.51(2) is amended to add new provisions to the requirements related to exemption certificates. These provisions relate to the seller's loss of nonliability for collection of tax if the seller accepts an exemption certificate at the seller's business and the state has affirmatively indicated that the claimed exemption is not available in the state, and if the seller accepts an exemption certificate claiming multiple points of use of tangible personal property for which the multiple points of use exemption provisions of a different Code section apply.

Code Sections 423.51 and 423.52 are amended to include new provisions related to the various types of relief available to sellers. These provisions include relief for reliance on the certification of the seller's software and classification of an item under the taxability matrix.

This division of the Act takes effect January 1, 2008, except for the provisions amending Code Sections 423.45 and 423.52, which take effect June 1, 2006.

TRANSPORTATION

- [SENATE FILE 2289](#) - Government Vehicle Registration Plates — Off-Site or In-Home Medical or Mental Health Services Providers
- [HOUSE FILE 540](#) - Traffic Accidents Involving Law Enforcement or Emergency Response Vehicles
- [HOUSE FILE 2515](#) - Obstructions in Highway Rights-of-Way
- [HOUSE FILE 2525](#) - Transportation — Administration and Miscellaneous Regulations

RELATED LEGISLATION

- [SENATE FILE 2183](#) - Enterprise Zones — Miscellaneous Changes
SEE ECONOMIC DEVELOPMENT. This Act allows a city to designate an area of up to four square miles to be an enterprise zone if the area is a blighted area and the area is located within four miles of at least three of the following: a commercial service airport, a barge terminal or a navigable waterway, an entry to a rail line, an entry to an interstate highway, or an entry to a commercial and industrial highway network.
- [SENATE FILE 2232](#) - Appropriations — Transportation
SEE APPROPRIATIONS. This Act makes appropriations from the Road Use Tax Fund and the Primary Road Fund to the Department of Transportation.
- [SENATE FILE 2253](#) - Substantive Code Corrections
SEE STATE GOVERNMENT. This Act repeals expired provisions relating to the Driver's License Indebtedness Clearance Pilot Project, makes clarifications in rulemaking authority pertaining to all-terrain vehicle crossing permits, adds snowmobile user permits to the listing of permits issued by the county recorder, and clarifies proscribed activities in the motor vehicle service contract industry.
- [SENATE FILE 2267](#) - Operation of Motor Vehicles — Safety — Related Regulation
SEE CRIMINAL LAW, PROCEDURE & CORRECTIONS. This Act requires that a driver education course include instruction about sharing the road with bicycles and motorcycles. The Act also provides that a driver of a motor vehicle may be subject to additional penalties, including driver's license suspension, upon a conviction of certain simple misdemeanors.
- [SENATE FILE 2319](#) - Littering and Illegal Solid Waste Disposal
SEE ENVIRONMENTAL PROTECTION. This Act appropriates a percentage of moneys collected from fines and penalties for littering and illegal dumping of solid waste to the Department of Transportation for purposes of the cleanup of litter and illegally discarded solid waste.
- [SENATE FILE 2364](#) - Insurance and Other Entities or Services Regulated by the Commissioner of Insurance
SEE BUSINESS, BANKING & INSURANCE. This Act makes numerous amendments to Code Chapter 516E concerning motor vehicle service contracts, including requiring such service contracts to be secured by either a reimbursement insurance policy or by the service company's compliance with new financial responsibility standards.

- [HOUSE FILE 2351](#) - Eminent Domain — VETOED BY THE GOVERNOR — VETO OVERRIDDEN
SEE LOCAL GOVERNMENT. This Act makes changes to the law relating to eminent domain authority and the procedure by which eminent domain authority is exercised (condemnation).
- [HOUSE FILE 2362](#) - Recycling and Salvage of Motor Vehicles and Vehicle Components
SEE ENVIRONMENTAL PROTECTION. This Act provides for assignment and reassignment of a salvage certificate of title for a motor vehicle in a single transaction. The Act also relates to the removal, collection and recovery of mercury-added switches from end-of-life vehicles.
- [HOUSE FILE 2398](#) - Failure to Stop and Render Aid at Motor Vehicle Accidents — Penalties
SEE CRIMINAL LAW, PROCEDURE & CORRECTIONS. This Act addresses the penalties that apply to a motor vehicle operator who is convicted of failing to stop and render aid at the scene of a motor vehicle accident if the accident results in serious injury to or death of any person.
- [HOUSE FILE 2569](#) - Operation of All-Terrain Vehicles on Highways
SEE NATURAL RESOURCES & OUTDOOR RECREATION. This Act allows a person to operate an all-terrain vehicle on a highway for the limited purposes of mowing or maintaining designated snowmobile and all-terrain vehicle trails and installing trail signs.
- [HOUSE FILE 2654](#) - County Treasurer Duties, Motor Vehicle Regulation, and Public Nuisance Tax Sales
SEE LOCAL GOVERNMENT. This Act makes changes relating to motor vehicles and to the powers and duties of county treasurers relating to motor vehicles.
- [HOUSE FILE 2775](#) - Motor Vehicle Citations, Hospital Lien Docket, and Clerk of Court Duties
SEE CIVIL LAW, PROCEDURE & COURT ADMINISTRATION. This Act relates to the assessment of court fees and costs, including the assessment of costs of an action against an owner or driver stopped and cited by a peace officer for failure to provide a valid driver's license or proof of financial liability coverage who later provides proof of such license or coverage prior to the owner or driver's scheduled court appearance, and to the assessment of costs of an action against a motor carrier owner or driver stopped and cited by a peace officer for failure to provide proper evidence of interstate authority and who later provides such proof prior to the motor carrier owner's or driver's scheduled court appearance.
- [HOUSE FILE 2782](#) - Appropriations — Infrastructure and Capital Projects
SEE APPROPRIATIONS. Division IX of this Act in part establishes the Public Transit Infrastructure Grant Fund within the Department of Transportation (DOT) to fund public transit systems within the state for construction and infrastructure projects and creates the State Aviation Fund under the authority of DOT to fund airport engineering studies, construction or improvements, and the Windsock Program for public airports.

TRANSPORTATION

[SENATE FILE 2289](#) - **Government Vehicle Registration Plates — Off-Site or In-Home Medical or Mental Health Services Providers**

BY COMMITTEE ON TRANSPORTATION. This Act allows the issuance of regular registration plates, rather than plates bearing the word "official," for publicly owned motor vehicles used by health care and mental health professionals who provide off-site or in-home medical or mental health services. As a result, such vehicles are no longer required to be marked with a government agency label.

[HOUSE FILE 540](#) - **Traffic Accidents Involving Law Enforcement or Emergency Response Vehicles**

BY COMMITTEE ON COMMERCE, REGULATION AND LABOR. This Act relates to reports of traffic accidents involving certified law enforcement officers or other emergency responders.

Upon certification by the officer's or responder's employer to the Department of Transportation that a traffic accident occurred in the line of duty while operating an official government vehicle or during the responder's deployment on an emergency call, the department shall not include a notation of the accident on the officer's or responder's driving record. The provision does not relieve an officer or responder of the duty to drive with due regard for the safety of all persons.

[HOUSE FILE 2515](#) - **Obstructions in Highway Rights-of-Way**

BY COMMITTEE ON TRANSPORTATION. This Act creates a new Code chapter pertaining to obstructions in highways and repeals existing law relating to the same subject. The Act identifies the Department of Transportation as the highway authority for primary roads and the county board of supervisors as the highway authority for secondary roads. The Act defines several terms, including "highway right-of-way," "obstruction," "utility," and "utility structures."

Under the Act, a highway authority is required to remove any obstruction that constitutes an immediate and dangerous hazard. In all other cases, the highway authority must serve 48 hours' notice to the person responsible for the obstruction before removing the obstruction at the person's expense. The Act provides a process for assessment and collection of the removal costs. The department employee, county employee, or an elected county official that orders the removal or causes such a removal is without liability for the removal.

The Act requires a permit to excavate, fill, or make physical changes within a highway right-of-way. Specific provisions apply for the removal or relocation of utility structures and for the location of new utility structures under the direction of a highway authority. The Act also addresses the placement and removal of fences, billboards and signs.

Any unlawful obstruction in a highway right-of-way is deemed a public nuisance. The Act permits enforcement by civil and criminal proceedings and provides for penalties.

[HOUSE FILE 2525](#) - **Transportation — Administration and Miscellaneous Regulations**

BY COMMITTEE ON TRANSPORTATION. This Act makes technical and substantive changes to Code provisions relating to policies and duties of the Department of Transportation (DOT).

Division I — Highways

Division I concerns the administration of highways. The placement of official signs within an adjacent area or in the right-of-way of a primary highway by a public officer or agency will no longer require a permit from DOT.

The division contains a new provision requiring DOT, counties, cities, and other public entities having jurisdiction over public roads to each be responsible for safety inspection and evaluation of highway bridges under the entity's jurisdiction pursuant to the National Bridge Inspection Standards.

Division II — Department Administration

Division II requires the Director of Transportation to present DOT's proposed budget to the State Transportation Commission before December 31 each year.

Division III — Motor Vehicle Regulation

Division III concerns the regulation of motor vehicles.

The obsolete definition and use of the term "trailer coach" is stricken from Code Chapters 321 and 326.

The definitions of "motorized bicycle" and "bicycle" in Code Section 321.1 are amended to specify that a device with pedals and a one-horsepower electric motor is a bicycle, rather than a motorized bicycle, for purposes of motor vehicle regulation. The defined term "motor bicycle" is deleted from the Code in favor of the term "motorized bicycle." Code Section 321.30 is amended to clarify that only vehicles certified and labeled as meeting federal motor vehicle safety standards are eligible for registration and titling in this state. These provisions relating to bicycles and motorized bicycles take effect April 20, 2006.

Code Section 321.18 is amended to exempt temporary undercarriages used solely to transport manufactured and modular homes from vehicle registration requirements.

Code Section 321.42 is amended to provide that when a motor vehicle registration plate is lost during a documented accident, the county treasurer or DOT may waive the \$5 fee for a replacement plate.

Code Sections 321.20, 321.46 and 321.126 are amended to allow a registration fee refund to be made to a lessee who has surrendered a vehicle upon termination of a lease. In addition, a lessee who purchases a vehicle upon termination of the lease has 30 days to claim a registration fee credit and assignment of the registration plates from the lessor. Under current law, the deadline for filing such a claim is 15 days from the date of purchase. Code Section 321.57 is amended to allow a dealer that leases vehicles to transport such vehicles for delivery to an owner or to auction using special dealer registration plates.

Code Section 321.52 is amended to exempt salvage vehicles with a gross vehicle weight rating of 30,000 pounds or more from the salvage theft examination and certificate required for regular titling of a salvage vehicle after the vehicle has been repaired.

Code Section 321.109 is amended to allow a nonresident to be issued a certificate of title for a vehicle purchased in this state. If a security interest is noted on the title, the county treasurer shall mail an acknowledgement of the notation to the secured party.

Code Sections 321.115, 322.27A and 322.29 are amended to eliminate licensing requirements for used motor vehicle distributors and wholesalers.

Code Section 321.176A is amended to exempt from commercial driver licensing requirements farmers and persons working for a farmer when operating a commercial motor vehicle controlled by the farmer within 150 miles of the farm. Current law requires that the commercial motor vehicle be owned by the farmer.

Code Sections 321.180 and 321.180B are amended to extend the period of validity of driver instruction permits from two years to four years for both minor and adult permittees. A person who has been issued a commercial driver's instruction permit is prohibited from operating a commercial vehicle transporting certain hazardous materials.

Additional changes to Code Section 321.180B revise the standard for a clean driving record under the graduated driver licensing provisions by focusing on violations, rather than convictions. A permittee is required to be accident and violation free for six months immediately preceding application for an intermediate license, and an intermediate licensee must be accident and violation free during the 12-month period preceding application for a full license. The same standards apply to a person who is in a remedial phase of the graduated driver licensing program. The scope of the remedial driver improvement and sanction provisions is broadened to include persons who have been issued a full driver's license at age 17.

Code Section 321.188 is amended to require a person who applies for issuance, renewal or upgrading of a commercial driver's license to identify all states where the applicant has been licensed to drive during the previous 10 years.

Code Sections 321.189 and 321.190 are amended to expressly prohibit the use of a social security number as the distinguishing number on a driver's license or nonoperator's identification card. Under current law, the social security number can be used at the option of the licensee or card holder.

Code Section 321.208 is amended to correct language relating to commercial driver's license sanctions mandated by federal law providing that if a person is found by conviction or final administrative action to have committed a felony or aggravated misdemeanor involving the use of any motor vehicle while the person held a commercial driver's license, other than an offense involving manufacturing, distributing or dispensing a controlled substance, the person is disqualified from operating a commercial motor vehicle for one year.

Code Section 321.430 is amended to clarify that a trailer, semitrailer, or travel trailer with a gross weight of 3,000 pounds or more must be equipped with either a separate, auxiliary means of applying the brakes from the cab of the towing vehicle or with self-actuating brakes, as well as a weight-equalizing hitch with a sway control.

Code Section 321.457 is amended to increase the maximum length allowed for a combination of four vehicles consisting of power units saddle mounted on other power units from 75 feet to 97 feet. In addition, the Act provides a maximum length of 85 feet for a towaway trailer transporter combination, which is a combination of vehicles consisting of a towing vehicle and two unladen trailers or semitrailers that are inventory property of a manufacturer and being transported by the manufacturer to a distributor or dealer. The extension of the maximum length for towaway trailer transporter combinations is subject to the passage of federal law that would permit the 85-foot limit. Currently, federal law limits the length of such a combination of vehicles to 75 feet.

Code Section 321A.5 is amended to provide that property damage of \$1,000 or more sustained in a motor vehicle accident triggers the security requirements under the Motor Vehicle Financial Responsibility Law. Under current law, the damage amount must be in excess of \$1,000. This amendment makes the damage amount consistent with the amount requiring submission of an accident report under Code Section 321.266.

Code Section 321L.2 is amended to modify the application requirements for a persons with disabilities parking permit so that the applicant's Iowa driver's license number or nonoperator's

identification card number may be provided on the application in place of the applicant's social security number.

Code Section 322.2 is amended to remove obsolete references to licensed school bus manufacturers in language relating to motor vehicle dealer regulation.

Code Sections 322.5, 322B.3 and 322C.3 are amended to allow DOT to issue multiple consecutive temporary permits to motor vehicle manufacturers, distributors and dealers; manufactured and mobile home retailers; and travel trailer dealers to do business at fairs, shows and exhibitions. Each permit is issued for 14 days for a fee of \$10.

Division IV — Vehicle Business Licensing

Division IV concerns the licensing of motor vehicle dealers, manufacturers, distributors, and wholesalers; authorized vehicle recyclers; persons engaged in the business of leasing vehicles; manufactured or mobile home retailers and manufacturers; and travel trailer dealers, manufacturers and distributors. Effective January 1, 2007, licenses for these entities will all be issued for two-year periods that begin on January 1 of odd-numbered years and end on December 31 of even-numbered years. Currently, some licenses are issued for two, four or six years, and some are issued for one year. License fees are not changed, but the fees will be collected in two-year increments. The two-year period will also apply to the fees for distinguishing numbers and special registration plates issued to vehicle dealers, transporters and manufacturers. Licensees who have paid fees based on longer licensing periods prior to January 1, 2007, will be credited for the excess fees.